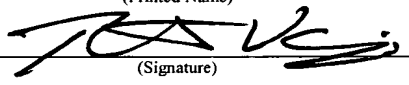




Atty. Dkt. No. 027756-0101

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: Arthur W. CHAFFEE
Title: INVESTMENT PORTFOLIO
TRACKING SYSTEM AND
METHOD
Appl. No.: 09/410,825
Filing Date: 10/01/1999
Examiner: N. Subramanian
Art Unit: 3624

CERTIFICATE OF EXPRESS MAILING	
I hereby certify that this correspondence is being deposited with the United States Postal Service's "Express Mail Post Office To Addressee" service under 37 C.F.R. § 1.10 on the date indicated below and is addressed to: Mail Stop Appeal Brief, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.	
EV 445622947 US (Express Mail Label Number)	August 8, 2005 (Date of Deposit)
Ruthie Vallejo (Printed Name)	
 (Signature)	

AMENDMENT TRANSMITTAL

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Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Transmitted herewith is a brief on appeal in the above-identified application.

☒ Appeal Brief Under 37 CFR 41.37 (38 pages).

☒ Web's Best Bank and Investment Sites.

☐ Applicant hereby petitions for an extension of time under 37 C.F.R. §1.136(a) for the total number of months checked below:

<input type="checkbox"/>	Extension for response filed within the first month:	\$110.00	\$0.00
<input type="checkbox"/>	Extension for response filed within the second month:	\$420.00	\$0.00
<input type="checkbox"/>	Extension for response filed within the third month:	\$950.00	\$0.00
<input type="checkbox"/>	Extension for response filed within the fourth month:	\$1,480.00	\$0.00
<input type="checkbox"/>	Extension for response filed within the fifth month:	\$2,010.00	\$0.00
	EXTENSION FEE TOTAL:		\$0.00
<input type="checkbox"/>	Statutory Disclaimer Fee under 37 C.F.R. 1.20(d):	\$110.00	\$0.00
	CLAIMS, EXTENSION AND DISCLAIMER FEE TOTAL:		\$0.00
<input type="checkbox"/>	Small Entity Fees Apply (subtract ½ of above):		\$0.00
<input type="checkbox"/>	Appeal Brief Fee under rule 1.17(c):		\$0.00
	TOTAL FEE:		\$0.00

☐ Please charge Deposit Account No. 50-0872 in the amount of \$165.00. A duplicate copy of this transmittal is enclosed.

☒ The Commissioner is hereby authorized to charge any additional fees which may be required regarding this application under 37 C.F.R. §§ 1.16-1.17, or credit any overpayment, to Deposit Account No. 50-0872. Should no proper payment be enclosed herewith, as by a check being in the wrong amount, unsigned, post-dated, otherwise improper or informal or even entirely missing, the Commissioner is authorized to charge the unpaid amount to Deposit Account No. 50-0872. If any extensions of time are needed for timely acceptance of papers submitted herewith, applicant hereby petitions for such extension under 37 C.F.R. §1.136 and authorizes payment of any such extensions fees to Deposit Account No. 50-0872.

Please direct all correspondence to the undersigned attorney or agent at the address indicated below.

Respectfully submitted,

Date 8 August 2005
 FOLEY & LARDNER LLP
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By Ronald Coslick
 Ronald Coslick
 Attorney for Applicant
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08-09-05

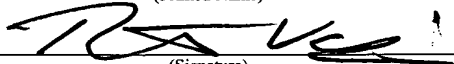
AF
JFW



Atty. Dkt. No. 027756-0101

**THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

Applicant: Arthur Willard CHAFFEE
Title: INVESTMENT PORTFOLIO
TRACKING SYSTEM AND
METHOD
Appl. No.: 09/410,825
Filing Date: 10/01/1999
Examiner: Patel, Jagdish
Art Unit: 3624

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EV 445622947 US (Express Mail Label Number)	August 8, 2005 (Date of Deposit)
Ruthie Vallejo (Printed Name)	
 (Signature)	

APPEAL BRIEF UNDER 37 CFR 41.37

Mail Stop Appeal Brief - Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

This Appeal Brief is submitted in response to the Notification of Non-Compliant Appeal Brief mailed on 12 July 2005. The previously-submitted Appeal Brief has been revised to conform to the requirements of 37 CFR 41.37.

Applicant hereby appeals the Final Rejection issued May 21, 2004.

I. REAL PARTY IN INTEREST:

The present application is assigned to Realnetwork.com, Inc. of Del Mar, California.

II. RELATED APPEALS AND INTERFERENCES:

There are no related appeals or interferences.

III. STATUS OF CLAIMS:

Claims 1-70 and 141-151 are cancelled. Claims 71-140, 152, and 153 are rejected. Claims 71-140, 152, and 153 are being appealed.

IV. STATUS OF AMENDMENTS:

No amendments have been made subsequent to the final rejection that is appealed here.

V. SUMMARY OF CLAIMED SUBJECT MATTER:

A. Overview of Claimed Subject Matter:

The claimed subject matter is based around a unique concept of how to provide useful financial information about an investment portfolio. What distinguishes the claimed subject matter from other known investment portfolio systems is that it allows for reporting the overall financial status of an individual's investment portfolio as though the investment portfolio is a business enterprise. To that end, the system calculates the current value of the portfolio's holdings ("assets"), and also calculates the current value of all obligations ("liabilities") of the portfolio, including those that already exist and those that would result if the holdings were liquidated at current prices. Determination of these values yields the current, actual net worth ("equity") of the portfolio based on current asset prices. All of this information is integrated into a single report that has a balance sheet-type format, allowing the current values of the portfolio's net worth and its assets and liabilities to be viewed at a glance.

Figure 8 provides a good illustration of how the claimed subject matter as a whole is presented to and experienced by a user. Figure 8 shows the main report that is presented to the user. The main report, titled Financial Position Report, includes an Assets section, a Liabilities & Equity section, and a Profit /Loss Activity ("performance") section. The dollar quantities ("balances") shown in this report are calculated from data representing the transactions made in the portfolio. In the upper half of the report, the assets of the portfolio

(see ref. 202-205), whose values are calculated using current (i.e., market) prices, are balanced against the liabilities of the portfolio (see ref. 216-219) such as the amount of borrowed money (“margin”) used to buy those assets, the amount of interest owed on that borrowed money (“margin interest”), and taxes that would be owed on net gains/losses that are calculated using current prices (such as ordinary income taxes and capital gains taxes). Subtracting the current value of liabilities from the current value of assets yields the current actual net worth (see ref. 220) of the portfolio at current prices. In the bottom half of the report, the performance of the portfolio during a selected period of time is presented in the form of balances representing profits and losses during that period (see ref. 206-215). Throughout the report, hyperlinks (shown as gray text in Figure 8) enable the user to navigate from balances shown in this main report to detailed reports showing the calculations or activities underlying those balances. (See also p. 10, lines 9-15).

The report of Figure 8 and its associated reports are generated from transaction data records representing the transactions made in the portfolio, and from data indicating current market prices. The many formulas used in calculating this information are provided in Appendix B of the application, with reference to the sample transaction data and corresponding balances provided in Appendix A of the application.

To the best of applicant’s knowledge, no prior investment portfolio system provides the current actual net worth of the portfolio based on current prices, or enables the investor to view a summary of the portfolio’s current asset, liability and net worth values in a single glance using a balance sheet-type report or any other type of report. As explained in the application at pages 2-3:

In general, the investment portfolio tracking systems that are currently available provide only the basic information about investments. For example, most systems are available to provide a gross rate of return on a stock investment based on that stock’s current price and the purchase price, but they do not take into account other factors that are relevant in computing a more representative rate of return, e.g., the holding period, the commissions that were paid, the amount of cash that was invested for that investment, the tax liability if that investment was closed out, etc.

Therefore, investors are currently unable to track their investment portfolio in a meaningful and useful way. Moreover, if they have multiple accounts, they are unable to track the performance of their investments collectively, unless they undergo the cumbersome process of entering their investment transactions into a software or web site database. Even so, they would still be unclear about the true collective performance of their investment portfolios, because they would receive only the basic performance information which does not take into account all of the factors that are necessary to give a meaningful rate of return on the money invested.

There currently is no standardization of accounting and financial presentation of investment portfolios, which gives pertinent, easy to understand information to investors. Further, there currently is no financial service or software that tracks the performance and current real net worth of a portfolio of investments after commissions, other costs, margin interest and taxes. An investor desiring such information needs to perform the analysis using a spreadsheet, but this way of generating tracking investments is prone to errors, time consuming, and virtually impossible to do for an extended period of time.

B. Summary of Claimed Subject Matter of Independent Claim 71:

Independent claim 71 is a method claim that describes tasks relating to the generation and presentation of reports such as the one shown in Figure 8. The following discussion explains the claimed subject matter in more detail through reference to the elements of claim 71.

71. A computer implemented method of producing a financial position report for an investment portfolio, comprising:

obtaining single entry transaction data records for individual transactions of the investment portfolio;

Figure 7a shows an example of a user interface through which a user may enter transaction data records. As seen from the figure, these records provide simple information characterizing individual transactions, such as the number of shares purchased and the price paid. This data is referred to as “single entry” data, in contrast with the “double entry” data (i.e. asset, liability and equity data) that is calculated from it and referred to later in the claim. Additional transaction data entry screens are shown in Figures 7b – 7f and described at page 9, lines 11-18. Although transaction data records may be collected manually through these user interfaces, it may also be obtained directly from the databases of financial institutions

(e.g., brokerage databases) in an automated fashion, as shown in Figure 1. (See also p. 9, line 27 – p. 10, line 3.)

receiving user input data representing a request for a financial position report for the investment portfolio;

As shown in Figure 1, a user may request reports from the computer system that performs the claimed method. (See also page 9, lines 27-28)

calculating current double entry asset, liability and equity balances for the investment portfolio as a whole using the transaction data records and current prices for investments held in the investment portfolio, wherein the sum of the portfolio asset balances equals the sum of the portfolio liability balances and the portfolio equity balances, and wherein the liability balances include balances that reflect obligations that would result if all investments of the investment portfolio were liquidated at said current prices;

Current, double entry asset, liability and equity balances are calculated for the investment portfolio as a whole using the aforementioned transaction data records and current prices for the investments (see p. 4, lines 8-11; p. 6, lines 23-25; p. 9, lines 19-22; p. 16, lines 10-12). These balances are dollar quantities such as those shown in the upper portion of the report of Figure 8. These quantities are referred to as “double entry” balances because the value of any asset is offset by the values of related (e.g., margin) or calculated (e.g., tax) liabilities and equity (net worth), such that the values in each column add up to the same amount (thus demonstrating that all quantities have been accounted for correctly).

The formulas for calculating these balances are provided in Appendices A and B of the application. As stated in the claim and shown in the formulas, current prices (e.g., real time of delayed real time quotes) are used for calculating each balance. This means that the asset balances reflect the value of each investment at current prices, and the liability balances reflect the obligations that would be owed if those assets were liquidated at current prices (e.g., the amount of any taxes that would be owed based on the current value and term of each investment, see Figure 8, 218 (taxes payable)).

generating a financial position report for the portfolio that presents the asset, liability and equity balances of the portfolio in a

double entry format, wherein at least some of the asset, liability and equity balances displayed in the financial position report are associated with hyperlinks to corresponding reports supporting the associated balances;

This claim element refers to the generation of a report such as the one shown in Figure 8 using the balances calculated in the previous element. As shown in Figure 8, the asset, liability and equity balances are presented in a two column double entry format. As further shown in Figure 8, balances (gray text) are associated with hyperlinks to detailed reports supporting the balance figure (p. 10, lines 9-15) (it is noted that the claim requires that “at least some” of these balances are hyperlinked to supporting reports).

transmitting the financial position report to the user; and

The report is transmitted to the user’s computer where it may be displayed and printed (p. 10, lines 3-6).

in response to receiving user input data representing user selection of one of said hyperlinks associated with one of said balances, transmitting a report to the user supporting the balance associated with the selected hyperlink.

The user may select any of the hyperlinks in the main report to access an associated detailed report. Figure 8 shows examples of reports that are connected via hyperlinks to the main report. Detailed examples of these reports are listed in the table of reports at pages 10-12 of the application and are included in the drawings. The formulas for calculating the balances in these reports are provided in Appendices A and B.

C. Summary of Claimed Subject Matter of Independent Claim 152:

Independent claim 152 is an apparatus claim reciting features analogous to those of claim 71. Thus, the summary of the claimed subject matter provided above with respect to independent claim 71 also applies to independent claim 152.

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL:

Claims 71-140, 152, and 153 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hinkle (U.S. Patent Number 6,442,533 B1) in view of Lewis (U.S. Patent Publication Number 2002/0065752 A1) and further in view of Reese (U.S. Patent Number 6,236,980 B1).

VII. ARGUMENT:

Arguments with Respect to Rejection under 35 U.S.C. 103(a) Recited Above:

A. Argument with Respect to Independent Claims 71 and 152 and Dependent Claim 103:

The rejection under 35 U.S.C. 103(a) recited above fails because the features required by the claims are not found in the cited references and do not follow from the teachings of those references. The claims involve creating specific types of current financial information about an investment portfolio and presenting that information in a specific way. The cited references do not involve providing financial information for an investment portfolio, do not involve creating the types of information required by the claims, and do not teach the specific way of presenting information required by the claims. Although the references involve financial and accounting technologies, and some of their terminology is similar to that of the present application, these similarities are superficial, and an informed reading of the references shows that they lack the features and motivation required to sustain a rejection of the claims.

The main references (Hinkle and Lewis) describe configurable systems that receive financial transaction data and process that data in whatever manner the system configuration dictates. These references do not suggest specific configurations, and do not recognize or address the information needs of the investment portfolio owner or suggests specific solutions for those needs. The Reese reference involves a system that aggregates information from the media about securities (e.g., stocks) and makes that information available to the user. It teaches nothing about providing current financial information for an investment portfolio.

The piecemeal manner in which features are assembled from the references shows that the rejection worked backward from the claims to seek their components in the prior art, rather than working forward from the prior art to determine whether the things naturally suggested by that art would have included the claimed subject matter as a whole. Moreover, despite this scavenger hunt approach, the rejection must still resort to purposeful vagueness in its analysis of the independent claims because its assertions about the cited art are not backed up by the art itself.

Applicant respectfully submits that if the claimed subject matter is truly obvious from the cited art, it would be possible to clearly explain where each element is taught or suggested, and to articulate a logical reason why the claimed combination of those elements would, as a whole, have been motivated by the cited art or the common knowledge in the field. The rejection does neither, and as demonstrated below, this is because the cited art does not allow it to do so.

The following summary of the cited references gives a high-level overview of the references and their basic differences with respect to the claimed subject matter. A detailed comparison of the references to the claim elements is then provided.

Hinkle provides a configurable accounting system that receives financial transaction data as input and uses that input to update tables of static, historical accounting data. Hinkle performs only two types of operations: adding to or subtracting from quantities that already exist in its tables. Hinkle's system is intended to serve as a source of accounting data that can be accessed by other applications. Hinkle does not consider or address the information needs of an investment portfolio owner, and does not provide any teaching concerning specific types of information or reports that could be generated from the information stored in its tables.

Lewis provides a configurable financial information system that acquires financial transaction data and other financial information, and processes that information in accordance with processing rules established by the user. Lewis provides examples in Figures 27 and 28 of reports that the system can generate when specifically configured to do so, however these

reports do not concern investment portfolios, do not involve calculation of current asset, liability and net worth values based on current prices, do not use a balance sheet format and do not provide links that enable direct navigation to supporting reports.

Reese provides a system that aggregates stock recommendations from various sources and reports summaries of recommendations for stocks. Reese does not calculate or report financial information for investment portfolios.

The failing of all of the cited references is that none of them considers or addresses the needs of an investment portfolio owner for financial information about the investment portfolio, and so naturally they do not disclose the actual features required by the claims. The combined references provide no inspiration for the claimed subject matter as a whole, in which information is provided for an investment portfolio by calculating the current net worth, asset and liability balances of the portfolio using current prices, presenting that information in a single integrated report having a balance sheet format, and providing supporting reports that are hyperlinked to those balances. A fair examination of the claims cannot find the claims to be obvious in view of the cited art, as demonstrated by the following detailed argument.

The following sections examine the allegations made in the rejection of claim 71, and the arguments presented here are equally applicable to claim 152.

i. Hinkle:

The rejection makes the blanket allegation that the following claim elements are disclosed in Hinkle:

obtaining single entry transaction data records for individual transactions of the investment portfolio;

...

calculating current double entry asset, liability and equity balances for the investment portfolio as a whole using the transaction data records and current prices for investments held in the investment portfolio, wherein the sum of the portfolio asset balances equals the sum

of the portfolio liability balances and the portfolio equity balances, and wherein the liability balances include balances that reflect obligations that would result if all investments of the investment portfolio were liquidated at said current prices;

...

generating a financial position report for the portfolio that presents the asset, liability and equity balances of the portfolio in a double entry format, wherein at least some of the asset, liability and equity balances displayed in the financial position report are associated with hyperlinks to corresponding reports supporting the associated balances;

The rejection states that Hinkle does not calculate the aforementioned balances using current (i.e., market) prices.

The rejection does not point out where in Hinkle the aforementioned claim features are allegedly found. Instead, it recites all of the aforementioned claim features verbatim and then refers the applicant generally to the Abstract, Figures 2B, 4D and 9A - 15 (a total of 12 figures), the text at col. 1, lines 45-51 and 58-67, col. 3 lines 17-62, col. 4 line 66 – col. 5 line 5, col. 8 line 35- col. 9 line 45, col. 13 lines 61-67, col. 14 lines 20-46, and claim 1 (see pages 2-3 of the rejection). The refusal to discuss the Hinkle reference or explain its alleged relevance to the claims unfairly burdens the applicant by forcing him to argue the patentability of the claims without any meaningful explanation for the basis for the rejection. In an effort to address this portion of the rejection, applicant provides his own understanding of Hinkle and its shortcomings, and then specifically addresses each of the portions of Hinkle cited in the rejection.

Applicant's understanding of Hinkle:

Hinkle's system is a configurable accounting system that receives information about financial transactions as input and uses that information to update tables of static, historical accounting data. Figure 1 provides a high-level illustration of the system. The system receives data 58 representing transactions of a business enterprise. Each transaction is broken into subtransactions 66 that are processed by a subtransaction processing module 64 under the control of a transaction processing controller 52 and a subtransaction scheduler 62. The

processing is performed in accordance with reference data 70 and is stored in financial data archives 70. These features are described at col. 6, lines 26-59, and again at col. 10, lines 1-32.

In order to make a meaningful comparison between Hinkle and the claimed invention, it is necessary to understand what a subtransaction is and what occurs when a subtransaction is processed. Hinkle explains that a subtransaction is merely the operation of adding or subtracting one quantity from another to produce a quantity that is then inserted as a new entry in a table. As stated at col. 8, lines 9-26:

In general, each subtransaction conceptually indicates a single operation of either plus or minus that is to be performed with two operands also indicated in the subtransaction. That is, the first operand indicates the data to be added or subtracted from a particular field or column of a table row identified by the second operand. Additionally, each subtransaction updates other tables within the transaction processing system 50 automatically in order to provide consistency among the data tables so that: (a) substantially on-line account balancing capabilities can be performed, and (b) full auditability of the records of the business enterprise providing the transaction can be facilitated by retaining history records of table updates, as will be discussed with reference to "master table transaction cluster processing" described hereinbelow. Accordingly, each subtransaction processed by an instantiation of the subtransaction processing module 64 may update a plurality of the data tables contained in the collectively labeled database 70. (emphasis added).

As further indicated by Hinkle, the relationship between an input transaction and its corresponding subtransactions is predefined, so that for any given input transaction, the types of subtransactions to be performed are simply retrieved from memory (see col. 10, lines 39-45).

Therefore, when Hinkle "processes" a transaction, the value of the transaction is simply added to or subtracted from one or more values already existing in the tables to create a new entry in one or more of the tables. The end result of this processing is a set of tables that accumulate historical accounting data as new transactions occur, but that are otherwise static in that the values in the tables do not change with changes in market prices or with the passage of time. Such data is contrasted with, for example, the current value of an investment

portfolio liability such as unrealized taxes, which continuously changes as a function of the current price of each individual investment and the period of time for which each individual investment has been held.

Hinkle's disclosure describes specific types of accounting tables that may be produced and maintained by his system. Because some of these tables are described using terms that appear to be relevant to the claimed invention, it is important to understand what types of information these tables do and do not contain. These tables are referred to as "driven tables," and types of driven tables supported by the system are listed at col. 14, lines 20-36. For example, Hinkle's driven tables include a "Customer Balance Sheet table [that] contains all assets and liabilities for all customer accounts." (col. 14, lines 25-26). While the present claims also refer to assets and liabilities, it must be remembered that the values specified in the claims are current values that are calculated based on current (market) prices of individual investments. In contrast, the data in Hinkle's balance sheet table is merely historical data that reflects values as of the date when the corresponding transactions occurred. This can be inferred from the fact that subtransactions merely add or subtract the values of a transaction, using only the data about the transaction itself, and therefore do not perform the valuation calculations (e.g., number of shares times current price) that would be necessary to determine a current value. Direct evidence supporting this inference is found in the balance sheet process flow of Figure 15, the balance sheet table processing pseudocode provided at col. 57-58, and in the balance sheet table data description provided at col. 97-99. The table data description shows that each record in the table simply includes a purchase date, a number of units and their cost, and information about the valuation of the currency used in the transaction as of the transaction date. The pseudocode specifically describes the processing for transactions that add or subtract (e.g. buy or sell) a financial instrument in a portfolio. (See also the description of these operations at col. 9, lines 15-50). Figure 15 is specific to the purchase of a financial instrument. As seen in both Figure 15 and the pseudocode, the only operations performed are inserting and deleting rows, if there is no previous row in the table for the transaction, or changing the number of units owned if there is already a row in the table for the transaction. Hinkle's system does not process transactions in the manner

specified by the present claims, or produce the current valuation information specified by the present claims.

Hinkle is notable for what it fails to disclose. Specifically, Hinkle contains no disclosure or suggestion of any type of report generation. As disclosed, Hinkle's system simply accumulates accounting information as transactions occur. Hinkle does not discuss particular types of reporting and does not provide any indication of the manners of presenting investment portfolio information that were known prior to the present invention. Therefore Hinkle cannot be said to motivate the generation of a financial position report for an investment portfolio that presents the current values of asset, liability and equity balances in a double entry format and that provides hyperlinks between those balances and supporting reports.

Portions of Hinkle cited in the official action:

Many of the portions of Hinkle cited in the rejection appear to have little relevance to the claims now at issue. The following discussion briefly examines the portions of Hinkle cited in the rejection:

Abstract: Hinkle's Abstract discusses Hinkle's main objective of making transaction processing more efficient through the use of transaction data descriptors that represent subtransactions, allowing complex processing logic to be removed from the executable code, and the ability to process some subtransactions in parallel. Hinkle's abstract is not pertinent to any of the claim features.

col. 1, lines 45-51 and 58-67: These portions of the text express the desirability of a system that is easily modified with respect to the types of transactions processed and the types of reports generated. The text then gives examples of the auditability provided by the invention. There is no discussion of report generation or reports having the features required by the present claims.

col. 3 lines 17-62: This portion of the text describes features of Hinkle's invention that are intended to provide flexibility, customizability and auditability. These features

generally involve the types of tables used and the way in which they are maintained. There is no discussion of report generation or reports having the features required by the present claims.

col. 4 line 66 – col. 5 line 5: This text states that the invention may be tailored to process transactions in various manners such as in order or in parallel.

col. 8 line 35- col. 9 line 45: This portion of the text was addressed in applicant's discussion above. This text discusses types of financial transactions that may be input to the system, including transactions involving financial instruments (col. 8 line 64 – col. 9 line 5 and col. 9 lines 15-21). It is then explained that four functions are used for processing transactions in financial instruments: adding (i.e., buying) a financial instrument, deleting (reversing) the addition of a financial instrument, selling a financial instrument, and deleting (reversing) the selling of a financial instrument (col. 9, lines 33-47). This section contains no discussion of report generation.

col. 13 lines 61-67: This text describes a table that uses codes to indicate the transactions in financial instruments that a business enterprise has engaged in (referred to as linking specific transactions to specific entities). There is no discussion of report generation.

col. 14 lines 20-46: This portion of the text was addressed in applicant's discussion above. This text describes tables that aggregate data for all customers of a business enterprise that uses the system. The tables include data concerning assets and liabilities, capital gains and pending income. As discussed above, these tables simply store static historical data, and the tables accumulate new information as new transactions occur. There is nothing to suggest that the tables reflect the current financial position of an investment portfolio that is calculated using current prices and includes liabilities that would occur if all holdings were liquidated at the current prices. There is nothing to suggest that the tables are used to generate reports having a balance sheet format or hyperlinks connecting balances in the report to supporting reports.

Claim 1 of Hinkle: Claim 1 describes Hinkle's over-all process as addressed in detail above. There is no discussion of report generation.

Figures of Hinkle: Figures 2B, 4D and 9A - 15 show a great number of features, most of which appear to either be redundant of the text discussed above or not relevant to the present claims.

Figure 2B shows data tables which were described above.

Figure 4D shows the order in which data is added to customer tables.

Figures 9A-9C show details of the processing of a transaction; no calculation of financial information for an investment portfolio is involved.

Figures 10A-10B show the process of scheduling the processing of subtransactions and do not appear to be relevant to the present claims.

Figure 11 shows a process flow for a “process principal cash” operation. This process involves only the addition of quantities to pre-existing data.

Figure 12 shows a process flow for a “process invested income” operation. This process involves only the addition and subtraction of quantities to pre-existing data.

Figure 13 shows a process flow for a “process invested principal” operation. This process involves only the addition and subtraction of quantities to pre-existing data.

Figure 14 shows a decision tree for determining which tables to update when processing a subtransaction affecting income and expenses.

Figure 15 shows a process flow for a “process balance sheet” operation, involving creating table rows, deleting table rows, or incrementing data values.

The cited portions of Hinkle support rather than contradict applicant’s understanding of Hinkle. Hinkle is concerned with receiving transaction data and updating historical accounting tables to reflect the occurrence of those transactions. At best, Hinkle may store some data that could be used as transaction data input for the claimed invention. It is not reasonable to extrapolate the features of the claim from this minor similarity.

ii. Lewis:

The rejection asserts that the following claim features are taught by Lewis:

receiving user input data representing a request for a financial position report for the investment portfolio;

...

transmitting the financial position report to the user;

The rejection notes that Lewis describes a system in which a user requests a report concerning an investment portfolio, citing paragraphs 36 and 152-154, and that Lewis provides a report in response to the request, citing paragraphs 145 and 151. The rejection further notes that Lewis performs the act of obtaining current prices, citing paragraphs 8 and 13-20. Although these assertions appear to be individually correct, they do little to support a rejection of the claimed subject matter as a whole because these features occur in a system that otherwise is nothing like the system claimed.

In general terms, the purpose of Lewis is to provide a configurable system for receiving data about financial transactions and other financial data, to store that data, and to perform calculations on that data in a manner that is configured by the user. Lewis describes objects of the system as follows:

[0022] It is, therefore, an object of the present invention to provide a data processing system and platform that provides an integrated, real-time data and information consolidation and distribution solution for financial institutions. ...

[0024] It is yet another object of the present invention to provide a system that consolidates both the incoming data, and the information that the system derives from such incoming data, in a well-defined database that supports multi-report generation in essentially real-time by a wide range of users making use of a wide range of programming languages and higher-level information reporting tools. ...

[0033] It is still another object of the present invention to provide a workstation that allows users to enter and modify business rules that are recorded in database tables and that designate the specific information that is to be derived from each type of incoming transaction, market data record, or customer/counterparty update record; thus allowing more and different

information to be created and stored in the database without requiring revision to the production code. ... These business rules permit dynamic instruction of server-based components that contain multi-currency, multi-product, and multi-entity bookkeeping logic; market data cleansing, consolidation and distribution logic; and user/customer/counterparty data collection logic. By manipulating the business rules, the user can tailored *[sic]* the processing performed by, and the information created and stored by the system, as desired by different customer or user segments.

Lewis provides little description of specific types of information to be calculated or types of reports to be generated because Lewis is concerned with providing a configurable system rather than addressing the specific needs of any particular user. Lewis provides a high level diagram of the system (Figure 4), which shows basic components including Source Systems that supply input data, an interface/transformation server 100 that standardizes the format of the input data, an alert notification server 160 that alerts other components to the arrival of new information, a calculation server 170 that performs calculations on received data, and a reporting engine 190 that generates reports for various user systems 150 (see par. 0036). Lewis briefly lists examples of information that could be calculated (see par. 0127), but these do not include the information specified in claim 71. Lewis also provides two examples of reports that could be generated by the system (see Figures 27 and 28), but these are static reports that do not contain the current investment portfolio financial information required by claim 71 and do not utilize the presentation format or hyperlinking specified by claim 71.

In summary, Lewis discloses a system that is intended to supply financial information for a business enterprise, but does not offer anything specifically addressing the financial information needs of portfolio owners or the solutions set forth in the present claims.

iii. Reese:

The rejection asserts that the following claim feature is taught by Reese:

in response to receiving user input data representing user selection of one of said hyperlinks associated with one of said balances, transmitting a report to the user supporting the balance associated with the selected hyperlink.

In support of this assertion the rejection cites col. 4, lines 38-40, col. 5, lines 11-31, col. 33, lines 36-59, and col. 63, line 59 – col. 64, line 25. This appears to be a correct characterization of what is found in the reference but it is not suggestive of the claimed subject matter as a whole. While the cited portions explain the concept of hyperlinking between documents, this is done in the context of a system that provides recommendations about securities and provides links to aggregated information about securities from magazines and other media sources (see, e.g., Summary, col. 7, lines 40-49). There is nothing in Reese that is suggestive of the particular use of hyperlinking required in the claims – hyperlinking from a balance displayed in a report as specified by the claim to a supporting report that supports the balance to which it is hyperlinked. More generally, there is nothing in Reese that relates to providing current financial information about an actual investment portfolio.

iv. Differences between the cited art and claims 71 and 152:

Claims 71 and 152 describe a specific manner of calculating and presenting investment portfolio information. The cited references describe generic financial information systems that are intended to be configurable rather than directed to specific users or needs. The specific processing of claims 71 and 152 cannot be obvious from the generic systems of the cited references because those systems do not contain elements required by claims 71 and 152 and do not suggest modifications that would result in the adoption of those elements. Even when taken in combination, the references fall short of claims 71 and 152 in several ways:

- they do not calculate the current asset, liability and equity values for a portfolio of investments based on current prices, or suggest such a calculation;
- they do not present such current asset, liability and equity balances in a double entry format, or suggest such a presentation;
- they do not provide supporting reports for such balances, or allow such supporting reports to be accessed through hyperlinks to the corresponding balances, or suggest doing so.

There is no explicit teaching or suggestion of any of these features in any of the references, and so they must come, if at all, from the references implicitly or from the general knowledge in the field. Applicant respectfully submits that there is no support in the record for concluding that all of these missing features are somehow implied from references that do not recognize or address the problems for which those missing elements in combination provide a solution. Certainly, looking at the references together, one is not led to envision an investment portfolio reporting system that presents a user experience as exemplified by Figure 8 of the application, namely, a reporting system providing current values of assets, liabilities and net worth, in a double-entry format, with supporting reports hyperlinked to those current values.

The rejection has cited no evidence of common knowledge in the field that would motivate the missing features and their use in claimed combination.¹ The invention as a whole cannot be obvious in the absence of inspiration for these features, and the only document in the record that provides that inspiration is the application itself. The subject matter as a whole of claims 71 and 152 simply does not follow from the art cited against it, and therefore is patentable over the cited references.

B. Dependent claims

The rejection of the dependent claims is difficult to respond to because the 70 dependent claims of the application are rejected in a single paragraph without any reference to any specific claim feature or any teaching in the prior art. The rejection simply states:

With reference to claims 72-140 and 153, Hinkle, Lewis and Reese combined teach the features in these claims or they are old and well known in the art. By adding these features to the invention of Hinkle the users would have benefited from having a complete current financial picture of their

¹ Concerning the issue of common knowledge, applicant notes the prior art reference entitled "Web's Best Bank & Investment Sites" that was submitted in an Information Disclosure. This reference is a magazine issue devoted to surveying the features of banking and on-line trading systems as of approximately the time that the application was filed. Although this reference does not encompass all possible prior art systems, it provides a good indication of the type of investment portfolio information that was provided by the most widely known systems at that time. No system surveyed in this reference resembles the claimed invention. Applicant submits that this constitutes evidence of the common knowledge in the field and demonstrates that the claimed invention is not simply motivated by common knowledge.

investment portfolio and the net-worth of their portfolio after paying all the outstanding obligations. (page 4, final paragraph)

The dependent claims are allowable over the cited references because they depend from independent claims 71 or 152 as reviewed above. In addition, applicant has reviewed all of the cited references in detail and believes that the additional features specified by the dependent claims are not taught or motivated by the cited references. Therefore all dependent claims are allowable on this basis as well.

The following sections briefly address the dependent claims in accordance with separate groupings.

C. Argument with Respect to Dependent Claims 72-74:

These claims specify details of the transaction data processed by the claimed method. The combinations of features set forth by these claims are not taught in the cited references. With regard to claims 73 and 74, the references do not teach use of transaction data of the specified type.

D. Argument with Respect to Dependent Claim 75:

This claim refers to allowing a user to enter transaction data characterizing a hypothetical (i.e. “what if”) transaction to see its effects on the current asset, liability and equity values of the portfolio as a whole. None of the cited references teaches a report that recalculates such values in response to a hypothetical transaction.

E. Argument with Respect to Dependent Claims 76-78:

These claims refer to calculation of a cash balance value as one of the asset balances included in the report, and generation of a supporting report. An example of such a report is provided in Figure 9I of the application. The cited references do not disclose the calculation of this balance or generation of this report.

F. Argument with Respect to Dependent Claims 79-82:

These claims refer to calculation of a securities current basis value as one of the asset balances included in the report, and generation of a supporting report. An example of such a report is provided in Figure 9H of the application. The cited references do not disclose the calculation of this balance or generation of this report.

G. Argument with Respect to Dependent Claims 83-85:

These claims refer to calculation of a margin borrowed value as one of the liability balances included in the report, and generation of a supporting report. An example of such a report is provided in Figure 9K of the application. The cited references do not disclose the calculation of this balance or generation of this report.

H. Argument with Respect to Dependent Claims 86-88:

These claims refer to calculation of a margin interest value as one of the liability balances included in the report, and generation of a supporting margin interest payable report. The cited references do not disclose the calculation of this balance or generation of this report.

I. Argument with Respect to Dependent Claims 89-92:

These claims refer to calculation of a taxes payable value as one of the liability balances included in the report, and generation of a supporting report. Taxes payable refers to taxes that would have to be paid on all investments if sold at current prices, as well as tax payments already due because of previous sales (or closings). An example of such a report is provided in Figure 9S of the application. The cited references do not disclose the calculation of this balance or generation of this report.

J. Argument with Respect to Dependent Claims 93-95:

These claims refer to calculation of a cash invested value as one of the equity balances included in the report, and generation of a supporting cash invested report. An example of such a report is provided in Figure 9J of the application. The cited references do not disclose the calculation of this balance or generation of this report.

K. Argument with Respect to Dependent Claims 96-99:

These claims refer to calculation of a net worth value as one of the equity balances included in the report, and generation of a supporting net worth report. An example of such a report is provided in Figure 9U of the application. The cited references do not disclose the calculation of this balance or generation of this report.

L. Argument with Respect to Dependent Claims 100-102:

These claims specify that real time price data is used to calculate values in the report, and that current price information is obtained in response to a user request for the financial position report. The combined references do not teach the use of these features in conjunction with the features of the independent claims.

M. Argument with Respect to Dependent Claims 104 and 153:

These claims depend directly from independent claims 71 and 152, and specify the production of an income statement for an investment portfolio as a whole, including calculation of revenue and expense balances for the portfolio as a whole and generation of revenue and expense reports hyperlinked to the corresponding balance. The income statement portion of the financial position report is shown at the bottom of the report of Figure 8, as well as in the bottom portions of Figures 9V-1, 9V-2 and 9V-3. The cited references do not disclose the use of these features in conjunction with those of the independent claims.

N. Argument with Respect to Dependent Claims 105-109:

These claims refer to calculating gains and losses values as part of the income statement, and generating supporting reports showing balances such as gross gains and losses, net gains and losses, bought value, and realized and unrealized value, as part of the revenue balance of a profit and loss report. Gross gains and losses are gains and losses before subtracting expenses such as commissions and costs, while net gains and losses are gains and losses once expenses such as commissions and costs have been subtracted. Examples of such

reports are provided in Figures 9N-1, 9N-2, 9N-3 and 9N-4 of the application. The cited references do not disclose the calculation of these balance or generation of these reports.

O. Argument with Respect to Dependent Claims 110-112:

These claims refer to calculating a dividends and interest value as part of the income statement, and generating a supporting report. An example of such a report is provided in Figure 9E of the application. The cited references do not disclose the calculation of this balance or generation of this report.

P. Argument with Respect to Dependent Claims 113-115:

These claims refer to calculating a commissions and costs value as part of the income statement, and generating a supporting report. The cited references do not disclose the calculation of this balance or generation of this report.

Q. Argument with Respect to Dependent Claims 116-118:

These claims refer to calculating a margin interest value as part of the income statement, and generating a supporting report. An example of such a report is provided in Figure 9M of the application. The cited references do not disclose the calculation of this balance or generation of this report.

R. Argument with Respect to Dependent Claims 119-122:

These claims refer to calculating state and federal tax values as part of the income statement, and generating a supporting state and federal tax report that includes both short term and long term tax expenses for both realized and unrealized gains. An example of such a report is provided in Figure 9R of the application. The cited references do not disclose the calculation of this balance or generation of this report.

S. Argument with Respect to Dependent Claim 123:

This claim refers to calculating the balances of claim 104 using real time price data to determine real time profit and loss activity. The cited references do not teach calculation of these balances with real time price data.

T. Argument with Respect to Dependent Claim 124:

This claim refers to allowing a user to enter transaction data characterizing a hypothetical transaction to see its effects on the asset, liability and equity balances. None of the cited references teaches a report that recalculates such values in response to a hypothetical transaction

U. Argument with Respect to Dependent Claims 125 and 140:

These claims refer to calculating a performance measure that provides a rate of return that takes into account the holding period for individual securities, and generating a report supporting the performance measure. The cited references do not disclose the calculation of this value or generation of this report.

V. Argument with Respect to Dependent Claims 126-131:

These claims refer to calculating a return on securities value and generating reports supporting the return on securities. The cited references do not disclose the calculation of these values or generation of these reports.

W. Argument with Respect to Dependent Claims 132-136:

These claims refer to calculating a cash return on securities performance measure and generating a report supporting that value. Examples of such a report are provided in Figures 9P-1 and 9P-2. The cited references do not disclose the calculation of this value or generation of this report.

X. Argument with Respect to Dependent Claims 137-139:

These claims specify that the current price information used for generating a financial position report is obtained in response to a user request for the financial position report. The

cited references do not disclose the generation of the report claimed using current price information or obtaining such information in response to a user request for the report.

Y. Conclusion Regarding Dependent Claims:

The dependent claims describe a wide range of diverse features that are not found in the cited references and are not addressed in the official action. They are allowable based on the features of the independent claims and based on their own features.

CONCLUSION:

For the foregoing reasons, applicant requests the Board of Appeals to overturn all prior art rejections.

Respectfully submitted,

Date 8 August 2005

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VIII. CLAIMS APPENDIX:

1. – 70. (Cancelled)

71. (Previously Presented) A method of producing a financial position report for an investment portfolio, comprising:

obtaining single entry transaction data records for individual transactions of the investment portfolio;

receiving a request for a financial position report for the investment portfolio;

calculating current double entry asset, liability and equity balances for the investment portfolio as a whole using the transaction data records and current prices for investments held in the investment portfolio, wherein the sum of the portfolio asset balances equals the sum of the portfolio liability balances and the portfolio equity balances, and wherein the liability balances include balances that reflect obligations that would result if all investments of the investment portfolio were liquidated at said current prices;

generating a financial position report for the portfolio that presents the asset, liability and equity balances of the portfolio in a double entry format;

presenting the financial position report, wherein asset, liability and equity balances displayed in the financial position report are associated with hyperlinks to corresponding reports supporting the respective balances; and

in response to user selection of one of said hyperlinks associated with one of said balances, presenting a report supporting the balance associated with the selected hyperlink.

72. (Previously Presented) The method claimed in claim 71, wherein a transaction data record comprises a date, an identifier of a security, a number of shares, a transaction price, and a transaction type.

73. (Previously Presented) The method claimed in claim 72, wherein the transaction data record further comprises a cash disbursed amount.

74. (Previously Presented) The method claimed in claim 73, wherein the transaction data record further comprises a margin borrowed amount.

75. (Previously Presented) The method claimed in claim 71, further comprising:
receiving transaction data characterizing a hypothetical what-if transaction;
recalculating said asset, liability and equity balances for the portfolio using said transaction data records and said what-if transaction data; and
presenting said financial position report using said recalculated asset, liability and equity balances.

76. (Previously Presented) The method claimed in claim 71, wherein the asset balances include a cash balance.

77. (Previously Presented) The method claimed in claim 76, wherein the cash balance is associated with a hyperlink to a cash balance report.

78. (Previously Presented) The method claimed in claim 77, wherein the cash balance report describes cash transactions of the portfolio and a cash balance remaining after each of said cash transactions.

79. (Previously Presented) The method claimed in claim 71, wherein the asset balances include a securities current basis balance.

80. (Previously Presented) The method claimed in claim 79, wherein the securities current basis balance is associated with a hyperlink to a portfolio status report.

81. (Previously Presented) The method claimed in claim 80, wherein the portfolio status report includes current value and gain and loss data for securities currently held in the portfolio.

82. (Previously Presented) The method claimed in claim 81, wherein the current value and gain and loss data are calculated using real time price data.

83. (Previously Presented) The method claimed in claim 71, wherein the liability balances include a margin borrowed balance.

84. (Previously Presented) The method claimed in claim 83, wherein the margin borrowed balance is associated with a hyperlink to a margin borrowed balance report.

85. (Previously Presented) The method claimed in claim 84, wherein the margin borrowed balance report describes margin transactions of the portfolio and a margin borrowed balance remaining after each of said margin transactions.

86. (Previously Presented) The method claimed in claim 71, wherein the liability balances include a margin interest balance.

87. (Previously Presented) The method claimed in claim 86, wherein the margin interest balance is associated with a hyperlink to a margin interest payable report.

88. (Previously Presented) The method claimed in claim 87, wherein the margin interest payable report describes margin interest transactions of the portfolio and a margin interest balance remaining after each of said margin interest transactions.

89. (Previously Presented) The method claimed in claim 71, wherein the liability balances include a taxes payable balance.

90. (Previously Presented) The method claimed in claim 89, wherein the taxes payable balance is associated with a hyperlink to a taxes payable report that displays short-term and long-term realized and unrealized gains and losses for securities currently held in the portfolio, short-term and long-term taxes payable for realized and unrealized gains and losses

for said securities, and short-term and long-term taxes paid for realized gains and losses of said securities.

91. (Previously Presented) The method claimed in claim 90, wherein the unrealized gains and losses and the short-term and long-term taxes payable for said realized and unrealized gains and losses are calculated using real time price data.

92. (Previously Presented) The method claimed in claim 91, wherein the taxes payable include federal and state taxes that are calculated in accordance with user defined tax rates.

93. (Previously Presented) The method claimed in claim 71, wherein the equity balances include a cash invested balance.

94. (Previously Presented) The method claimed in claim 93, wherein the cash invested balance is associated with a hyperlink to a cash invested report.

95. (Previously Presented) The method claimed in claim 94, wherein the cash invested report describes cash invested transactions of the portfolio and a cash invested balance remaining after each of said cash invested transactions.

96. (Previously Presented) The method claimed in claim 71, wherein the equity balances include a net worth balance.

97. (Previously Presented) The method claimed in claim 96, wherein the net worth balance is associated with a hyperlink to a net worth report.

98. (Previously Presented) The method claimed in claim 97, wherein the net worth report includes gains and losses for securities of the portfolio, said gains and losses accounting for commissions, margin interest, and taxes.

99. (Previously Presented) The method claimed in claim 98, wherein said gains and losses include unrealized gains and losses for securities currently held in the portfolio that are calculated using real time price data to provide real time unrealized gains and losses.

100. (Previously Presented) The method claimed in claim 71, wherein the balances are calculated using real time price data to provide a real time financial position report.

101. (Previously Presented) The method claimed in claim 71, wherein said current prices are obtained in response to said request from a user for the financial position report.

102. (Previously Presented) The method claimed in claim 101, wherein the request is received through the Internet.

103. (Previously Presented) The method claimed in claim 71, wherein the transaction data records are accessed from a remote server through the Internet.

104. (Previously Presented) The method claimed in claim 71, further comprising:
calculating revenue and expense balances for the investment portfolio as a whole during a period of time using the transaction data records, wherein the sum of the revenue balances less the sum of the expense balances equals the net worth after taxes of the portfolio as a whole during said period of time;
wherein said financial position report further comprises a profit and loss section presenting said revenue and expense balances and said net worth after taxes for said period of time,
wherein revenue and expense balances of the profit and loss section are associated with hyperlinks to corresponding reports supporting the respective balances, and
wherein said processing further comprises, in response to user selection of one of said hyperlinks associated with one of said revenue and expense balances, presenting a report supporting the balance associated with the selected hyperlink.

105. (Previously Presented) The method claimed in claim 104, wherein the revenue balances include a gains and losses balance.

106. (Previously Presented) The method claimed in claim 105, wherein the gains and losses balance is associated with a hyperlink to a gains and losses balance report.

107. (Previously Presented) The method claimed in claim 106, wherein the gains and losses balance report presents gross gains and losses excluding commissions and costs.

108. (Previously Presented) The method claimed in claim 106, wherein gains and losses balance report presents net gains and losses including commissions and costs.

109. (Previously Presented) The method claimed in claim 106, wherein the said gains and losses balance report includes bought value and realized and unrealized gains and losses of the portfolio.

110. (Previously Presented) The method claimed in claim 104, wherein said revenue balances include a dividends and interest balance.

111. (Previously Presented) The method claimed in claim 110, wherein said dividends and interest balance is associated with a hyperlink to a dividends and interest balance report.

112. (Previously Presented) The method claimed in claim 111, wherein the dividends and interest balance report describes dividend and interest transactions of the portfolio during said period and a dividends and interest balance remaining after each of said dividend and interest transactions.

113. (Previously Presented) The method claimed in claim 104, wherein said expenses balances include a commissions and costs balance.

114. (Previously Presented) The method claimed in claim 113, wherein said commissions and costs balance is associated with a hyperlink to a commissions and costs balance report.

115. (Previously Presented) The method claimed in claim 114, wherein the commissions and costs balance report describes commission and cost transactions of the portfolio during said period and a commissions and costs balance remaining after each of said commission and cost transactions.

116. (Previously Presented) The method claimed in claim 104, wherein said expenses balances include a margin interest balance.

117. (Previously Presented) The method claimed in claim 116, wherein said margin interest balance is associated with a hyperlink to a margin interest balance report.

118. (Previously Presented) The method claimed in claim 117, wherein the margin interest balance report describes margin interest transactions of the portfolio during said period and a margin interest balance remaining after each of said margin interest transactions.

119. (Previously Presented) The method claimed in claim 104, wherein said expense balances include a state and federal taxes balance.

120. (Previously Presented) The method claimed in claim 119, wherein said state and federal taxes balance is associated with a hyperlink to a tax expenses report that displays short-term and long-term realized and unrealized gains and losses, and short-term and long-term tax expenses for said realized and unrealized gains and losses.

121. (Previously Presented) The method claimed in claim 120, wherein said unrealized gains and losses and said short-term and long-term tax expenses for said realized and unrealized gains and losses are calculated using real time price data to provide real time unrealized gains and losses and real time short-term and long-term tax expenses for said realized and unrealized gains and losses.

122. (Previously Presented) The method claimed in claim 120, wherein said tax expenses include federal and state taxes that are calculated in accordance with user defined tax rates.

123. (Previously Presented) The method claimed in claim 104, wherein said balances are calculated using real time price data to provide a real time profit and loss activity report.

124. (Previously Presented) The method claimed in claim 104, further comprising:
receiving transaction data characterizing a hypothetical what-if transaction;
recalculating said asset, liability and equity balances, said revenue and expense balances, and said net worth after taxes for the portfolio using said transaction data records and said what-if transaction data; and
presenting said financial position report using said recalculated asset, liability and equity balances, said recalculated revenue and expense balances, and said recalculated net worth after taxes.

125. (Previously Presented) The method claimed in claim 71, further comprising:
calculating a performance measure indicating a rate of return for the portfolio as a whole that accounts for holding periods of individual securities currently or previously held in the portfolio using said transaction data records; and
generating a report supporting said performance measure,
wherein said financial position report further comprises said performance measure,
and
wherein said performance measure is associated with a hyperlink to a corresponding report supporting the performance measure.

126. (Previously Presented) The method claimed in claim 125, wherein the performance measure is a return on securities associated with a hyperlink to a return on securities report.

127. (Previously Presented) The method claimed in claim 126, wherein the return on securities report presents gross gains and losses and gross return on investments excluding commissions and costs.

128. (Previously Presented) The method claimed in claim 126, wherein the return on securities report presents net gains and losses and net return on investments including commissions and costs.

129. (Previously Presented) The method claimed in claim 126, wherein the return on securities report includes months held, gains and losses and return on investment on a monthly and annual basis.

130. (Previously Presented) The method claimed in claim 129, wherein the return on securities report includes individual investments.

131. (Previously Presented) The method claimed in claim 130, wherein the said return on securities report includes the overall portfolio.

132. (Previously Presented) The method claimed in claim 125, wherein the performance measure is a cash return on securities associated with a hyperlink to a cash return on securities report that presents a return on cash invested.

133. (Previously Presented) The method claimed in claim 132, wherein the cash return on securities report presents gross gains and losses and gross return on investments excluding commissions and costs.

134. (Previously Presented) The method claimed in claim 132, wherein the cash return on securities report presents net gains and losses and net return on investments including commissions and costs.

135. (Previously Presented) The method claimed in claim 132, wherein the cash return on securities report includes months held, gains and losses, and return on investments on a monthly and annual basis.

136. (Previously Presented) The method claimed in claim 135, wherein the return on securities report includes the overall portfolio.

137. (Previously Presented) The method claimed in claim 125, wherein said current prices are obtained in response to a request from a user for the performance report.

138. (Previously Presented) The method claimed in claim 137, wherein said request specifies a period of time for the performance report.

139. (Previously Presented) The method claimed in claim 137, wherein said request is received through the Internet.

140. (Previously Presented) The method claimed in claim 125, wherein said transaction data records are accessed from a remote server through the Internet.

141. – 151. (Cancelled)

152. (Previously Presented) A programmable device for reporting financial information for an investment portfolio, the device including computer readable media storing programming code for controlling the device to perform processing comprising:

obtaining single entry transaction data records for individual transactions of the investment portfolio;

receiving a request for a financial position report for the investment portfolio;

calculating current double entry asset, liability and equity balances for the investment portfolio as a whole using the transaction data records and current prices for investments held in the investment portfolio, wherein the sum of the portfolio asset balances equals the sum of the portfolio liability balances and the portfolio equity balances, and wherein the liability

balances include balances that reflect obligations that would result if all investments of the investment portfolio were liquidated at said current prices;

generating a financial position report for the portfolio that presents the asset, liability and equity balances of the portfolio in a double entry format;

presenting the financial position report, wherein asset, liability and equity balances displayed in the financial position report are associated with hyperlinks to corresponding reports supporting the respective balances; and

in response to user selection of one of said hyperlinks associated with one of said balances, presenting a report supporting the balance associated with the selected hyperlink.

153. (Previously Presented) The device claimed in claim 152, wherein said processing further comprises:

calculating revenue and expense balances for the investment portfolio as a whole during a period of time using the transaction data records, wherein the sum of the revenue balances less the sum of the expense balances equals the net worth after taxes of the portfolio as a whole during said period of time;

wherein said financial position report further comprises a profit and loss section presenting said revenue and expense balances and said net worth after taxes for said period of time,

wherein revenue and expense balances of the profit and loss section are associated with hyperlinks to corresponding reports supporting the respective balances, and

wherein said processing further comprises, in response to user selection of one of said hyperlinks associated with one of said revenue and expense balances, presenting a report supporting the balance associated with the selected hyperlink.

IX. EVIDENCE APPENDIX:

A copy of “Web’s Best Bank and Investment Sites”, Vol. 5, Issue 9, is submitted with this appeal brief. The reference was first submitted by Applicant in an Information Disclosure dated January 7, 2000, and was considered by the Examiner on December 15, 2003. The Office Communication mailed January 13, 2004, shows that the reference was entered in the record by the Examiner.

X. RELATED PROCEEDINGS APPENDIX:

There are no related appeals or interferences, so there are no copies of decisions needed for the related proceedings appendix.

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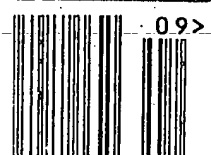
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INVESTING

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- 6 Online Investing Basics: The Internet Is A Boon To Investors Who Learn New Rules
- 12 Power To The People: Finding Investment Information On The Web
- 18 Tracking Stocks & Investments: Keeping Tabs On Your Portfolio Has Never Been So Easy
- 20 Online Stock Screeners: Get Help Evaluating Which Stocks Are Best For You
- 24 Here Today, Gone Today: Day Trading & Other Short-Term Investments
- 26 Secure Your Financial Future: Where To Look For IRA Information
- 28 Place Your Bets: Venture Capitalists & Needy Startups Meet On The Web
- 30 Join The Club: Investment Clubs Let Individual Investors Share Risks & Rewards
- 32 Using E*TRADE
- 36 Using Ameritrade
- 39 Using Schwab.com
- 42 Using Dark Online
- 45 Using Discover Brokerage
- 47 Using Suretrade
- 50 Comparing The Best Investment Sites: Which Online Brokerage Is Right For You?

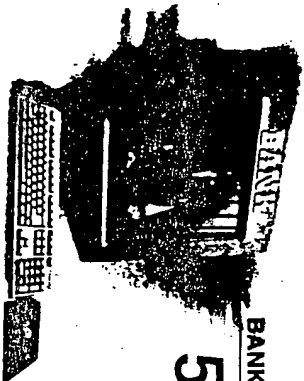


BANKING

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If you're tired of running to the bank to check account balances and transfer money from one account to another, try setting up an account with one of the many online banks. We show you how to set up an online checking or savings account, pay bills online, and use the Internet to find an ATM or online bank. We also offer step-by-step instructions on using several leading banking sites.

- 54 Bank Online: All-Electronic Banking Saves Money & Time

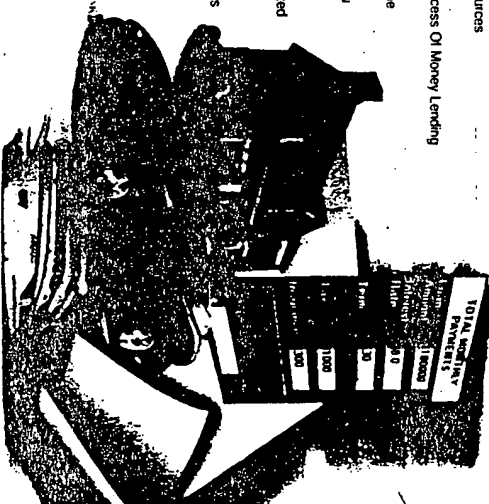


FINANCE

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When it comes to applying for a loan, checking loan rates, finding insurance, and applying for credit cards, the Internet can be a great help. The articles in this section provide tips, tricks, and relative lists of sites for all your online finance needs. We also show you how to use several leading sites to apply for loans and check loan and insurance rates online.

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- 111 Check Your Credit History: Go Online To Find Out What Creditors Are Saying
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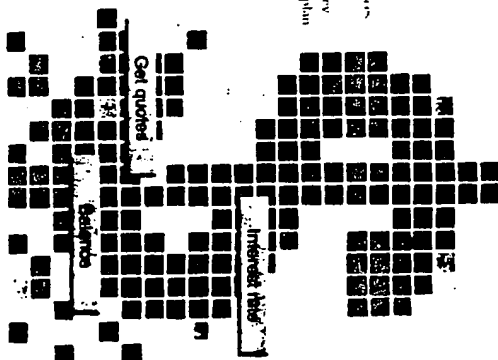


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For those of you looking for a better way to manage your finances or plan your retirement, this section has the answers. There are reviews of the leading finance software packages and the money management tools, along with Web sites designed to help you plan your retirement.


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Trial Versions You Can Download & Try Before You Buy
 - 139 Plan Your Retirement Online
Use The Web to Get Ready For Your Golden Years
- 142 GLOSSARY OF TERMS
- 143 INDEX



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To read these articles, browse to <http://www.smartcomputing.com> and access this issue's online table of contents.

NOTE Because of the changing nature of the Web, some information may have changed since this issue went to press.

- Transfer Funds Online: Reduce Anxiety By Using The Speed Of The Internet
 - Using E-Wallets
 - Using Chase Manhattan
 - Using Citibank
 - Using Monoplyhunter
 - Online Tax Returns
- 



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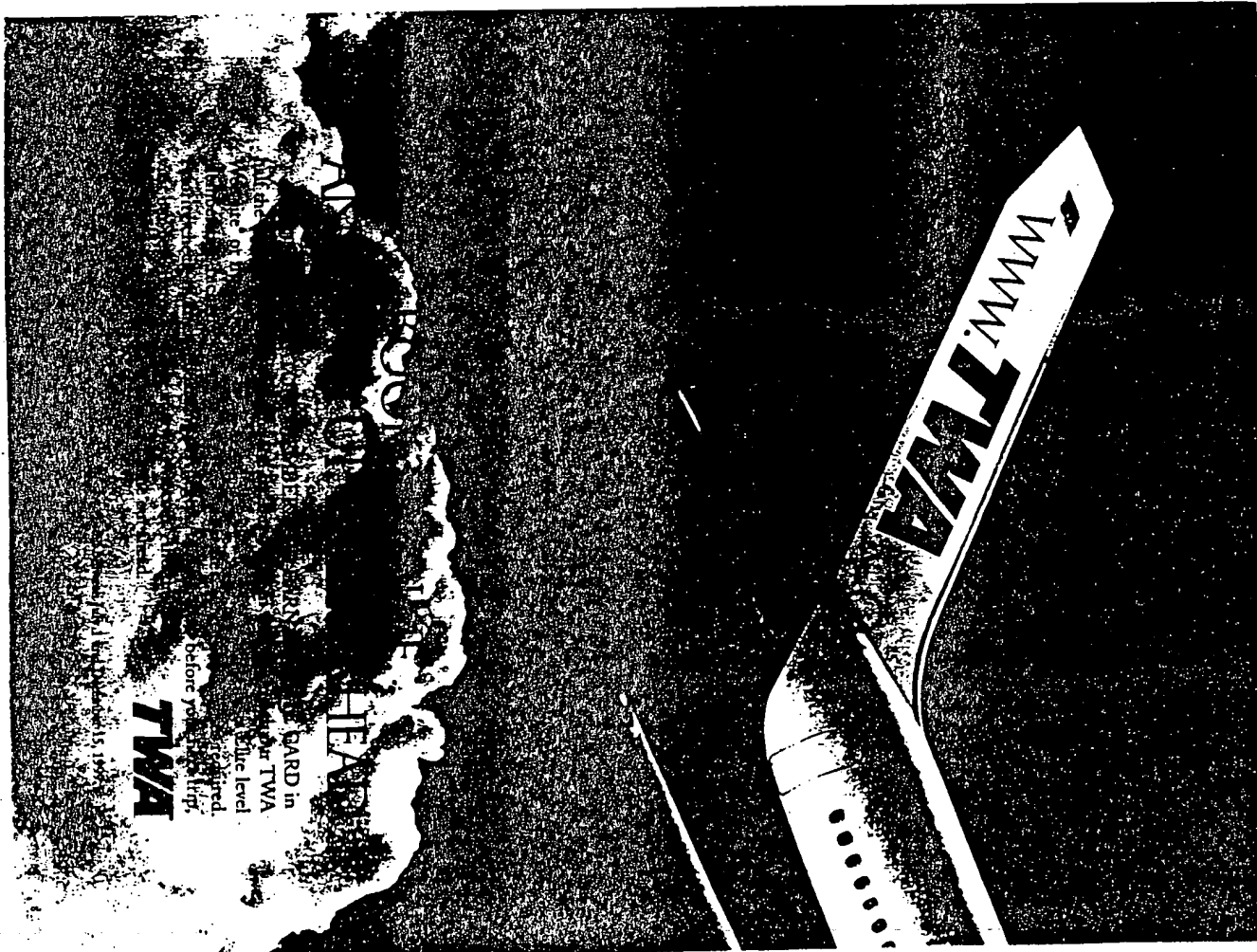
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Online Investing Basics

The Internet Is A Boon To Investors Who Learn New Rules

and perform a variety of other investment tasks.

also charge an extra fee if you phone in a transaction if they offer phone services at all. That means if you need to make a trade when a computer is not handy, they'll penalize you for it.

The Internet almost seems spellbound by a designed for investors. No other medium can provide the constant stream of news, interactivity, and targeted information inherent to Internet services. Best of all, many of the most useful services are free.

■ **Online Brokers.** Online brokers represent the best and the worst aspects of online investing. There is no doubt the decreased overhead online brokerages enjoy finds its way back to investors in the form of reduced commissions and fees. The same technology that allows for the lower overhead also makes transactions more efficient and lets investors have instant access to every bit of information regarding their accounts.

Many people new to investing wonder if they would be better off using a traditional broker instead of an online firm. The answer depends on your needs. Some people are hesitant to make any financial decision without plenty of hand-holding, and these are the only individuals who should stay away from online firms. The online brokerages will not call you with a hot stock tip or lead you down to tell you one of your securities is in trouble and you should sell. Even for these sorts of investors,

other articles in this issue will tell you where to find the best online investing resources, but it is important to know exactly what you are looking for. In this article we will discuss the different aspects of online investing resources and how to make the most of them. The information here, used with that found in other articles in this issue, should help investors of any skill level find a broker, choose securities,

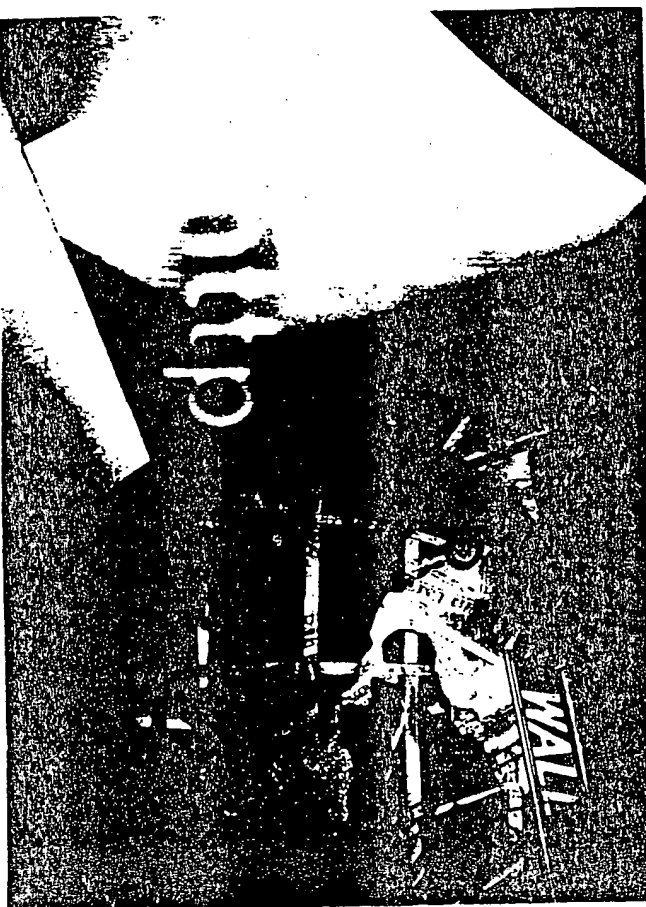
investors attempting to log in for a quick sale.

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though, online brokerages can provide terrific services if properly used.

New investors often feel their limited knowledge means they must choose a full-service broker when establishing their first account. This is not necessarily true, and it can be costly. Sure, you will have a personal broker on tap, and if you are lucky you will get a good one. But these brokers work on commission, and this means it is in their best interests for you to trade often. For the investor, heavy trading leads to more commission payments,

not on commission. This means that these brokers offer little to no investment advice, but they do provide a great deal of research sources for information, mostly available these days, and with the Internet as a tool to access it, users who have the time to do their own research will benefit from using a discount broker. The lower fees and commissions help maximize overall investment returns. The next step is actually finding one with the services and fees that meet your needs.

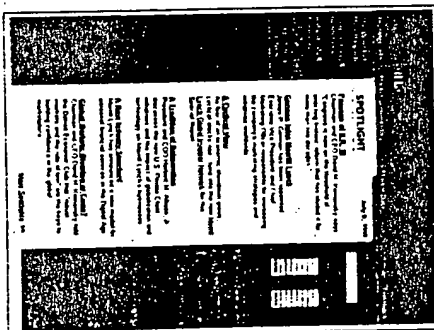
When choosing a traditional brokerage with some online service, don't settle for a brokerage that simply allows customers to place orders over the Internet. Choose one that offers advanced account trading, extensive research capabilities, and reduced commissions. Other sections of this article will focus on the elements good online brokers provide.

There is no law saying that a person can have only one broker, so many people set up an account at a traditional brokerage and then open accounts at one or more online brokerages. This way you benefit from the research services at all the firms and can use the best features of each brokerage to make a purchasing decision. It is more difficult to track the various accounts and may make tax preparation a bit harder, but the rewards are worth it.

■ **Full-Service vs. Discount Brokerages.** Choosing between a full-service, discount, or deep-discount brokerage is an important primary step in investing, so it pays to know the difference. The full-service firms such as Merrill Lynch & Co. Inc. (<http://www.ml.com>) and Morgan Stanley Dean Witter & Co. (<http://www.msdw.com>) charge the highest commissions, have the largest account minimums, and were slow to offer online services. For the extra money, their clients receive advice specifically tailored to their overall goals from an individual broker. For example, if you tell your broker that you are looking for high-risk, high-growth opportunities, she will look for investments along those lines, and pass the information along to you. In general, using a full-service firm for investments means you are trusting them to manage your money. It requires that you do little or no research, but you have to trust your broker.

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Full-service firms such as Merrill Lynch & Co. Inc. often charge the highest commissions and have the largest account minimums.

short-term capital gains tax problems, and an overall reduction in the rate of return their investments will provide.

We found that many of the big-name firms currently have terrific online services. Merrill Lynch has several tiers of online service, and the lowest tier does not even let customers submit online trade orders. AIG, Edwards & Sons Inc. (<http://www.ag-edwards.com>) lets clients use its online service for a \$25 annual fee, whereas most discount brokerages charge nothing for the service. In fact, every major discount broker we looked at actually rewarded clients for using the online services.

A discount brokerage or deep-discount brokerage works on different principles than the full-service firms. It charges low or no commission, with a maximum fee of \$30, because its brokers work for a salary instead

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■ **Finding The Right Features.** There are several things to consider before choosing the online broker that is right for you, but the features usually are easy to check. In this section we will break down the various features online brokers offer and discuss how they affect your investments.

■ **Initial Costs.** In general, starting an account at an online brokerage is cheaper than establishing a similar account with a traditional broker. The cost generally depends on what type of account you are establishing and the types of securities you plan to trade. Some brokerages such as SureTrade Inc. (<http://www.suretrade.com>) have no investment minimum to start an account and simply require you to send a check before you make an actual trade. This means users can set up an account and access all the premium site content without spending a dime. Other brokerages such as E*Trade Securities Inc. (<http://www.etrade.com>) have account minimums of \$1,000 or more but generally let users access the proprietary content before they send any money.

There is so much competition between brokerages that many have special incentives for investors starting new accounts. Some brokerages are offering sign-up bonuses for new accounts, and at the time of this writing, E*Trade was adding \$75 to new accounts. A 7.5% return on the minimum investment isn't a bad way to kick off a portfolio.

If mutual funds are going to figure into your portfolio, you should know that they all have their own independent investment minimums. Some minimums are as low as \$50, but typically it will take \$1,000 or more to buy in. Be aware that if you are purchasing mutual funds for an Individual Retirement

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On the downside, few online brokerages have been able to match the reliability of their offline counterparts. We've all heard stories of investors attempting to log in for a quick sale

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though, online brokerages can provide terrific service, if properly used.

The solution is to start with a traditional broker that offers an online service. Most traditional brokers are moving their online capabilities by offering new or enhanced online services of their own. An example is Charles Schwab & Co. Inc., which offers reduced commissions for online orders (<http://www.schwab.com>). Even the full-service brokerages have rolled out online services to help their customers. We do not recommend any brokerage that does not have an online component.

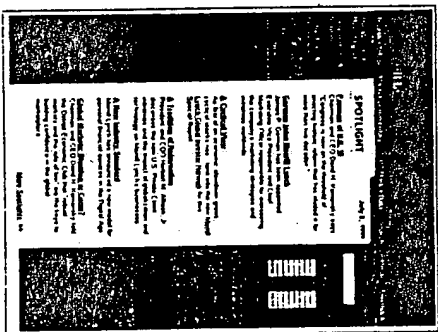
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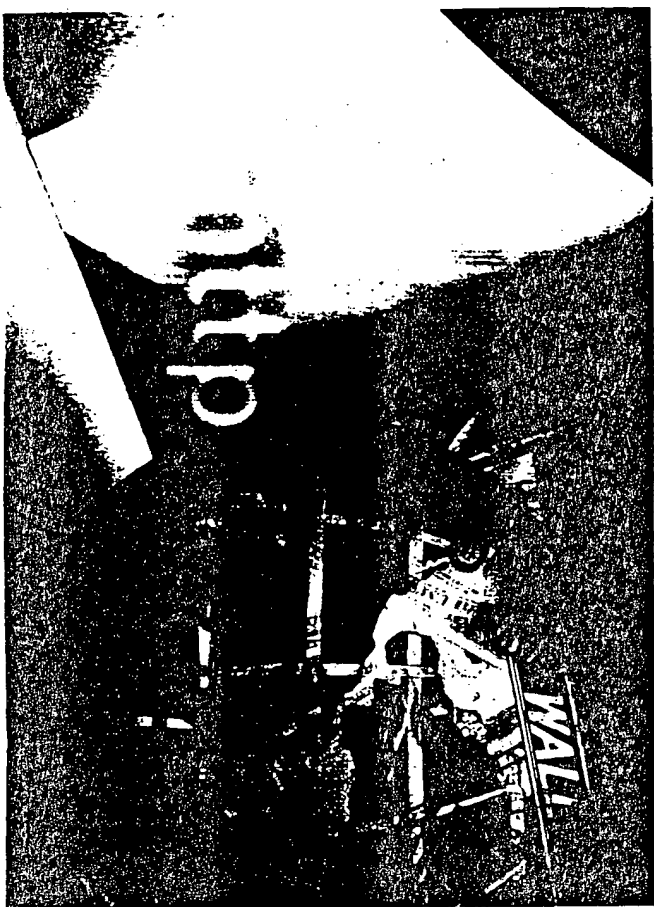
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Investing

waives the account maintenance fee, or offers another incentive. Try to find a broker that has these special deals for the funds you

Foreign Stocks. Some online brokerage's handle only stock found on the domestic exchange. If you want to research and buy foreign stocks, you need to make sure the brokerage can handle those types of trades. Look at

or call to see if its customers c
ate in this form of investin
ise, you may have to settle fo
mutual fund that specializes in f

show a history of your transactions of your holdings, and a breakdown of gains and losses. It also should account for stock splits and dividend payments, and automatically update your cost basis. Nice to see a software company that does it right.

to predict the new status. (3) To decide the automatic tracking of news on various securities, direct links to historical charts and graphs, and automatic of the entire portfolio every five

that have conducted these tests, online broker. We have not used it in all the services, but there are a few things are invaluable. Gomez Advail-Broker Scorecard provide the information we have found. It breaks down the brokerage by ease of use, customer service, on-site resources, customer support, overall cost, and overall score. Each

1.1.1 Order Execution. Once you find a broker, the next step is to find out how the broker executes orders. Because of the extra money involved in commission by quick execution, a fast broker can save you a lot of money. Keynote Systems Inc. has a list of "fast" brokers, and "one-stop," long-term investors, and "one-stop" order execution services. It also offers full research to each broker, and details the best brokers for #1, #2, #3, #4, #5, #6, #7, #8, #9, #10, #11, #12, #13, #14, #15, #16, #17, #18, #19, #20, #21, #22, #23, #24, #25, #26, #27, #28, #29, #30, #31, #32, #33, #34, #35, #36, #37, #38, #39, #40, #41, #42, #43, #44, #45, #46, #47, #48, #49, #50, #51, #52, #53, #54, #55, #56, #57, #58, #59, #60, #61, #62, #63, #64, #65, #66, #67, #68, #69, #70, #71, #72, #73, #74, #75, #76, #77, #78, #79, #80, #81, #82, #83, #84, #85, #86, #87, #88, #89, #90, #91, #92, #93, #94, #95, #96, #97, #98, #99, #100, #101, #102, #103, #104, #105, #106, #107, #108, #109, #110, #111, #112, #113, #114, #115, #116, #117, #118, #119, #120, #121, #122, #123, #124, #125, #126, #127, #128, #129, #130, #131, #132, #133, #134, #135, #136, #137, #138, #139, #140, #141, #142, #143, #144, #145, #146, #147, #148, #149, #150, #151, #152, #153, #154, #155, #156, #157, #158, #159, #160, #161, #162, #163, #164, #165, #166, #167, #168, #169, #170, #171, #172, #173, #174, #175, #176, #177, #178, #179, #180, #181, #182, #183, #184, #185, #186, #187, #188, #189, #190, #191, #192, #193, #194, #195, #196, #197, #198, #199, #200, #201, #202, #203, #204, #205, #206, #207, #208, #209, #210, #211, #212, #213, #214, #215, #216, #217, #218, #219, #220, #221, #222, #223, #224, #225, #226, #227, #228, #229, #230, #231, #232, #233, #234, #235, #236, #237, #238, #239, #240, #241, #242, #243, #244, #245, #246, #247, #248, #249, #250, #251, #252, #253, #254, #255, #256, #257, #258, #259, #260, #261, #262, #263, #264, #265, #266, #267, #268, #269, #270, #271, #272, #273, #274, #275, #276, #277, #278, #279, #280, #281, #282, #283, #284, #285, #286, #287, #288, #289, #290, #291, #292, #293, #294, #295, #296, #297, #298, #299, #300, #301, #302, #303, #304, #305, #306, #307, #308, #309, #310, #311, #312, #313, #314, #315, #316, #317, #318, #319, #320, #321, #322, #323, #324, #325, #326, #327, #328, #329, #330, #331, #332, #333, #334, #335, #336, #337, #338, #339, #340, #341, #342, #343, #344, #345, #346, #347, #348, #349, #350, #351, #352, #353, #354, #355, #356, #357, #358, #359, #360, #361, #362, #363, #364, #365, #366, #367, #368, #369, #370, #371, #372, #373, #374, #375, #376, #377, #378, #379, #380, #381, #382, #383, #384, #385, #386, #387, #388, #389, #390, #391, #392, #393, #394, #395, #396, #397, #398, #399, #400, #401, #402, #403, #404, #405, #406, #407, #408, #409, #410, #411, #412, #413, #414, #415, #416, #417, #418, #419, #420, #421, #422, #423, #424, #425, #426, #427, #428, #429, #430, #431, #432, #433, #434, #435, #436, #437, #438, #439, #440, #441, #442, #443, #444, #445, #446, #447, #448, #449, #450, #451, #452, #453, #454, #455, #456, #457, #458, #459, #460, #461, #462, #463, #464, #465, #466, #467, #468, #469, #470, #471, #472, #473, #474, #475, #476, #477, #478, #479, #480, #481, #482, #483, #484, #485, #486, #487, #488, #489, #490, #491, #492, #493, #494, #495, #496, #497, #498, #499, #500, #501, #502, #503, #504, #505, #506, #507, #508, #509, #510, #511, #512, #513, #514, #515, #516, #517, #518, #519, #520, #521, #522, #523, #524, #525, #526, #527, #528, #529, #530, #531, #532, #533, #534, #535, #536, #537, #538, #539, #540, #541, #542, #543, #544, #545, #546, #547, #548, #549, #550, #551, #552, #553, #554, #555, #556, #557, #558, #559, #560, #561, #562, #563, #564, #565, #566, #567, #568, #569, #570, #571, #572, #573, #574, #575, #576, #577, #578, #579, #580, #581, #582, #583, #584, #585, #586, #587, #588, #589, #590, #591, #592, #593, #594, #595, #596, #597, #598, #599, #600, #601, #602, #603, #604, #605, #606, #607, #608, #609, #610, #611, #612, #613, #614, #615, #616, #617, #618, #619, #620, #621, #622, #623, #624, #625, #626, #627, #628, #629, #630, #631, #632, #633, #634, #635, #636, #637, #638, #639, #640, #641, #642, #643, #644, #645, #646, #647, #648, #649, #650, #651, #652, #653, #654, #655, #656, #657, #658, #659, #660, #661, #662, #663, #664, #665, #666, #667, #668, #669, #670, #671, #672, #673, #674, #675, #676, #677, #678, #679, #680, #681, #682, #683, #684, #685, #686, #687, #688, #689, #690, #691, #692, #693, #694, #695, #696, #697, #698, #699, #700, #701, #702, #703, #704, #705, #706, #707, #708, #709, #710, #711, #712, #713, #714, #715, #716, #717, #718, #719, #720, #721, #722, #723, #724, #725, #726, #727, #728, #729, #730, #731, #732, #733, #734, #735, #736, #737, #738, #739, #740, #741, #742, #743, #744, #745, #746, #747, #748, #749, #750, #751, #752, #753, #754, #755, #756, #757, #758, #759, #760, #761, #762, #763, #764, #765, #766, #767, #768, #769, #770, #771, #772, #773, #774, #775, #776, #777, #778, #779, #780, #781, #782, #783, #784, #785, #786, #787, #788, #789, #790, #791, #792, #793, #794, #795, #796, #797, #798, #799, #800, #801, #802, #803, #804, #805, #806, #807, #808, #809, #810, #811, #812, #813, #814, #815, #816, #817, #818, #819, #820, #

Learning Series / Point & Movement Series 9

your margin is a way to leverage your buying power without any additional cash outlay, unless the stock price drops. It is nothing more than borrowing money from the brokerage to buy more stock, in the hope the price will rise and you can achieve a larger profit and still pay the brokerage back. When you buy stocks on margin you put up 50% of the money and you borrow the other 50%.

50%. This gives margin accounts **clarity as** twice the purchasing power of a normal account. It also means the losses can be **greater**.

Many limits these accounts have special restrictions. You typically cannot use a custodial account to conduct margin trading, and the commissions for margin trading are higher than those for normal trading.

Because buying on margin involves taking out a loan from your broker, you must pay the

Also, know that if you do not maintain the required maintenance margin, the broker can sell your securities without warning, at your peril. Most brokers give clients a "margin call," which means they ask for more money to maintain the margin requirement. The ones that do not provide this service have a legal right to just sell your securities at a huge loss. Find out if the maintenance requirement before trading, or margin.

The Motley Fool Inc.'s Web site has a great section on margin trading that every investor should read before taking the plunge (<http://www.fool.com/FoolFAQ/FoFAQ0025.htm#7>).

ment account option may be important if you had a 401(k) at an old job that you want to roll into a self-directed IRA. There are several advantages in doing this, and it adds substantially to the compound interest your account will accrue.

for a minor. Again, there are tax implications

Foreign Stocks. Some online brokers handle only stocks listed on the domestic exchanges. If you want to research and buy foreign stocks, you need to make sure the broker handles

Tracking. No matter what type of mutual fund you invest in, you should track the performance of those types of trades. Look at its performance over the long term or call to see if its customers can attest to its performance. Evaluate in this form of investing. If you may have to settle for a mutual fund that specializes in for-

portfolio tracking service. This tracker shows a history of your transactions, gains and losses. It also should alert you when stock splits and dividend payments occur, and automatically update the account with the new share price. Nice touch.

to reflect the new situation, they should be able to track the automatic trading of news for various securities, direct links to historical charts and graphs, and automated reports of the entire portfolio every five to 10 minutes.

[illegible]

Because of the extra money involved in a commission by quickly executing market orders, Keynote Systems Inc. has the

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results of a survey of broker speeds, you can find them at its Web site at <http://www.kennedy.com>. Looking at the and similar services should give you an idea of which broker offers the fastest service.

A feature that dovetails with last order execution is last order confirmation. Some online brokers are so keen on delivering order confirmations that investors get e-mail and e-receipts the order, sometimes several minutes later. The brokerage executes all the orders, and the investor ends up spending much more than he had originally intended. Most online brokers will advise you to enter an order and wait several minutes before worrying about confirmation. This option will not appeal to day traders, but if you really want to hold back your profit, you should be getting a double-terminal instead of using a Web-based account. Look for a brokerage that has advanced and redundant confirmation systems in place. E*Trade, for example, has places where you can see if your placed the order properly, a message service that alerts investors when the transaction is complete, and a Trading History page that updates when the transaction goes through. If none of these services shows an order, then you can get on the phone or e-mail it online.

The Bottom Line: Regardless of the broker you choose, all the respected online brokers we looked at are a boon to longer-term investors, especially those with just a little money to invest. There are low initial costs, low commissions, minimal worry for account maintenance, and rooms of research to peruse. Long-term investors also do not have to worry about occasional glitches that hurt day traders. For an investor who is not looking for a full-service broker to give advice all the time, online brokers are difficult to beat.

■ DRIPS & DSPs. Looking at the fee schedules and commission rates can be daunting to a small investor. What if you find a company to invest in, but can only afford a few shares per month? Going through a traditional broker you would have to pay a commission each month for the transaction, and sometimes the commission cost could

equal or exceed the cost of the stock. It seems like a losing proposition, until you realize that many companies let small investors cut out the middleman. You can accomplish this by purchasing shares directly from the company, and some let investors establish automatic monthly or quarterly purchases.

There are many methods companies use to let investors do this. The Dividend Reinvestment Plan (DRIP) is one of the most common. It allows investors to reinvest their dividends in the company's stock. The plan is usually managed by a third party, and investors can often choose to reinvest a percentage of their dividends. The plan is usually free to use, and investors can often choose to reinvest a percentage of their dividends.

Through DRIPs, section at <http://www.fidelity.com/stock/long.htm>. **■ Research.** Every brokerage finds its research services, but it is important to know what types of resources are most valuable to the average investor. A good research site has information that can help you pick a security along with information that will let you think it after the purchase.

The best overall resource we uncovered for finding great research sites is Yahoo! Inc.'s Yahoo! Finance (<http://finance.yahoo.com>). Here we found fresh news, stock information broken down into several categories, and a nice stock screener. The screener lets users choose a variety of parameters to find stocks tailored to their liking. Another good site is Microsoft Corp.'s MSN Investor, found at <http://investor.msn.com>. Some of the content is proprietary and accessible only to subscribers, but the free content is incredibly useful. The site offers a Stock Research Wizard that is one of the best stock screeners we found. It features all manner of advanced reports and charts on companies.

Regardless of the research source you use (don't forget your online brokerage), look for goodies such as real-time quotes and access to breaking news. Mutual Funds. Finding a great mutual fund using online resources is incredibly easy, and the trouble most users experience is the multitude of choices. When choosing a mutual fund, look at its expense ratio, five- to 10-year annualized returns, and load status. You can purchase no-load funds without incurring the extra fees associated with load funds. Funds that are not no-load usually charge an initial purchase fee, a redemption fee, and other fees that sap returns.

A low expense ratio means management isn't skimming too much of a fee of your returns. If it is 1% or more, beware. Usually, index funds run by computers instead of managers have extremely low expense ratios but past high returns. The annualized returns show the average percentage the fund has

returned and you should compare them to the S&P 500 index baseline.

IFIX. An Initial Public Offering (IPO) is when a stock becomes available for purchase on the open market for the first time. Some investors like to find a hot IPO and invest on the first day of trading, hoping the price will go up by the end of the day or week so they can cash out for a quick profit. Some just like to get in on the ground floor of a company they feel has great long-term prospects. If you want to research IPOs, try Hoover's Inc.'s IPO Central at <http://www.ipocentral.com>. The site has excellent information on how IPOs work, which companies will be offering them, and how recent IPOs are faring.

■ Funny Money. Nothing will give you an investment education faster than putting some of your own money on the line, but simulated trading is a cheaper alternative to learning the ropes. Fortunately, several tools exist on the Web that let investors set up and track fictional investment portfolios.

Yahoo! Finance's Investment Challenge (<http://contest.finance.yahoo.com/1130>) is an investment game that offers cash prizes to players who can gain the largest returns on \$100,000 of virtual money in a month. When we visited the site the top player in the middle of the month had more than \$260,000, while the person in last place had \$236—not even enough to pay for the virtual commission on another trade.

The E*TRADE Game (<http://game.etrade.com>) also starts players off with \$100,000 and gives them a month to try to win the \$1,000 grand prize. In addition to the regular Stock Game, E*TRADE also offers a Stocks & Options Game that lets players use virtual options. When we checked, the winner of the Stock Game had turned the initial amount into \$805,546, while the Stocks & Options Game winner had \$1,456,320 at the end of the month. E*TRADE even lets players glimpse at the portfolio highlights of the winners to see how they did it.

These games can provide good practice for users who want to see what it is like to trade options. One drawback to these games is that they do not allow users to practice long-term investment strategies. Each month the sites reset the games and delete the accounts, and participants begin with another virtual \$100,000.

Many players will let users establish and track virtual accounts without wiping them clean every month. There are no games attached, but the educational value of these watch accounts is invaluable. The advanced features of the MSN Investor's Portfolio component at <http://investor.msn.com> are

Investment Security

Strong e-commerce sites are designed to protect your money and your information. But even the most secure sites can be hacked. Here are some tips to help you protect your money and your information. **■ Passwords.** Passwords are the first line of defense. Make sure you have a strong password that is not too long, but is hard to guess. Use a mix of upper and lower case letters, numbers, and special characters. **■ Two-Factor Authentication.** Two-factor authentication is a security measure that requires you to provide two different pieces of information to verify your identity. This can be a password and a one-time code sent to your phone or email. **■ Secure Sockets Layer (SSL).** SSL is a security protocol that encrypts data sent over the Internet. It is used by many websites to protect sensitive information. **■ Secure Shell (SSH).** SSH is a secure network protocol that allows you to connect to a remote computer over an unsecured network. It is used by many websites to protect sensitive information.

When it comes to security, there are a few things you should know. First, make sure you have a strong password that is not too long, but is hard to guess. Use a mix of upper and lower case letters, numbers, and special characters. Second, make sure you have two-factor authentication. This is a security measure that requires you to provide two different pieces of information to verify your identity. This can be a password and a one-time code sent to your phone or email. Third, make sure you have a secure sockets layer (SSL) connection. This is a security protocol that encrypts data sent over the Internet. It is used by many websites to protect sensitive information. Fourth, make sure you have a secure shell (SSH) connection. This is a secure network protocol that allows you to connect to a remote computer over an unsecured network. It is used by many websites to protect sensitive information.

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especially good and after a small download you can set up and track all of your accounts with ease. [E]

by Law Editor

Many brokerages also use additional security when they mail a check to you. Most will only mail the check payable to the person who established the account, and will only mail the check to the address that person provided when they created the account, unless they have written authorization to act otherwise. **■ Privacy.** Privacy is an important component of security. Make sure you have an account with a brokerage that does not have a clear privacy statement. Look for sections outlining how many employees have access to the information, what (if any) information the brokerage may sell to third parties, and what security measures it employs to safeguard both computerized and physical documents. **■ Knowing the warning signs for investment fraud.** Also is helpful. The Securities and Exchange Commission's Office of Investor Education and Assistance has established a special Web site for investors that details common phrases online investors use and lists a variety of scams. You can find this information at <http://www.sec.gov/ideas.htm>. [E]

Power To The People

Finding Investment Information On The Web

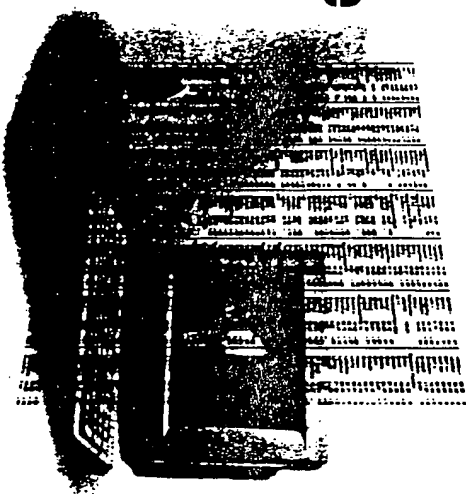
The new trend of investing online has empowered individual investors to save money on broker commissions. Investors can buy and sell stocks, bonds, and mutual funds with a couple of mouse clicks. They can also check their account balances and execute trades 24 hours a day.

So why don't more investors take advantage of these benefits? Many investors prefer to rely on the knowledge their traditional brokers have gathered through years of working in the business. Other investors want to try online trading, but they feel they don't have the knowledge they need to make intelligent investment decisions.

The Web can help with these problems, as well. Hundreds of Web sites are devoted to helping individual investors the news, analysis, and current data they need to intelligently control their finances. Whether you're an investor now or you're looking for expert advice, hundreds of Web sites exist to meet your needs.

Without a doubt, investing can still be a risky process. No matter how much knowledge you obtain, you can't guarantee your investment will increase in value. (Then again, neither can a traditional broker.) Arming yourself with as much knowledge as possible, though, will give your investments a better chance of succeeding. We've reviewed dozens of Web sites that will help you make the most of your investments.

■ **General Investing.** Several investment Web sites attempt to cover every possible base—and a few even succeed. The following sites offer a variety of services and information to visitors, including portfolio trackers and financial calculators. Most allow you to customize their home page to meet your needs as well.



Bloomberg.com

Because Bloomberg is one of the top financial news information sources, it is not surprising that you'll find the latest stock and company news and information at its Web site. The Bloomberg site contains more than news on the American stock markets; it delves into world markets, commodity markets, and currency markets. You won't find much information for the beginning investor here, but new investors should visit the helpful mutual fund investing tips. Click the Mutual Funds hyperlink on the home page followed by the Fund Commonsense hyperlink to open The New Commonsense Guide To Mutual Funds. You will also want to click the TV button on the home page to learn more about Bloomberg's 24-hour financial television channel or the Radio button to hear streaming audio financial news from Bloomberg.

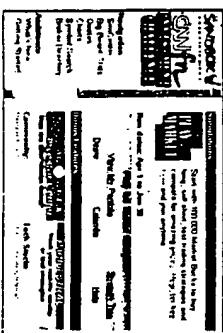
<http://www.bloomberg.com/welcome.html>

CNN

Much like its television channel, the CNN Web site provides a great mixture of investment news and advice. Some of the

information is linked in the 24-hour financial news channel, such as stock picks from the expert guests, while other stories are only on its Web site.

As with most of the other general investing sites we'll discuss, information aimed at newcomers to investing isn't plentiful at CNN. However, you can play the Investment Challenge Game, where you have fantasy money with which to build a portfolio. The



The Investment Challenge game at CNN provides investment novices a chance to try investing without risking any real money.

side of the tab can help you learn about the ups and downs of stock market investing without risking any of your own money.

<http://www.cnn.com>

dowjones.com

You'll find a strong amount of information for beginners at the Dow Jones Web site. Click the Personal Finance hyperlink along the left side and then the WSJ Guide To Money & Investing hyperlink. The Wall Street Journal's Guide To Money & Investing contains basic information on a variety of investment subjects; click the text along the left side to move between topics.

You can use *dowjones.com*'s search engine in the Business Search section of the home page to search more than 2,000 sites for business information. Click the Forums hyperlink along the left side to participate in financial discussions with other site visitors or to ask questions.

<http://dowjones.wsj.com/main.html>

Go Network: Money

If you're looking for a variety of information on a particular stock, the Go Network's Money page can provide it. The site contains message boards allowing visitors to discuss an individual stock. Type the stock's ticker symbol in the text box and click the Go (Query) button. At the stock's page, click the Messages text (NOTE: Not all stocks have message boards. If you do not see a Message link for a certain stock, then that stock does not have a message board). To find links to other investment sites on the Web, click the Topics tab.

<http://money.go.com>

InvestorGuide

Similar to other sites in this category, InvestorGuide contains a solid mixture of traditional investing information, such as stock research, financial news, portfolio tracking, and message boards.

Unlike most of the other sites in this category, though, it's a great site for learning about investment basics. Use These links for new-comer information should try the Answer Center, which contains a large amount of investing information, and the Learning section of the Links Directory, which contains links to other helpful investment Web sites.

<http://www.investorguide.com>

SmartMoney.com

SmartMoney.com adds complements the printed magazine, *SmartMoney*. It contains

breaking news, forums, portfolio tracking, and analysis of stocks, mutual funds, and bonds. The best area of the site for investment newcomers is the Ask SmartMoney hyperlink under the Tools section, along the left side of the screen. You can read through the large archive of questions that other visitors asked, sorted by topic, or you can submit your own question.

<http://www.smartmoney.com>

Yahoo! Finance

Yahoo!'s financial Web site contains a mixture of original content and links to other Web sites. Perhaps the most helpful place for investors looking to learn about hands-on investing is the Yahoo! Investment Challenge, which is a stock market simulation game using fantasy money. Under the Reference topic, the Company & Fund Index text link is extremely useful, as well.

<http://quote.yahoo.com>

Educating Investors

Before you make a major purchase, such as an automobile or a computer, you usually perform quite a bit of research, often starting with the basics to educate yourself. Few purchases are as important as your investments, but few individual investors take the time to educate themselves about the process before investing their money. Think of these sites as tool books and research resources for getting basic knowledge about your investment options.

AAL.com

The American Association of Individual Investors (AAII) provides information for investors looking to manage their finances. Several articles aimed at educating investors are free on the Web site, but dozens more are available only to those with AAI membership, which cost \$49 per year. One area with several free investing tools is the Download Library under the Community topic along the left side of the window.

<http://www.aaii.com>

Invest-O-Rama!

The Education page of the Invest-O-Rama! Web site contains a solid mixture of original articles, links to other Web sites, and recommended books. The Archive section is especially helpful for finding information on a particular investing topic.

Another great resource for investment information is the Ask Fling section. You'll find a list of answers to questions previously submitted by site visitors for more than 20 topics. If you don't find the answer you need in the archived questions, you can submit your own question.

<http://www.investorama.com/education.html>

Investing For Kids

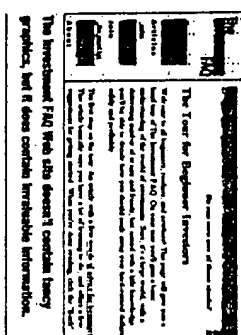
Do not let this Web site's name fool you: Adults can find plenty of investing information here. On your first visit to this Web site, take the investment quiz to determine your level of investment knowledge. Then, read through the site's information, which is in three levels: Beginner, Intermediate, and Advanced.

The site also contains two stock market simulation games, allowing you to learn about investing through hands-on experience without risking your money. The Concepts Of Investing area of the site is another area novices must visit.

<http://hypetion.advanted.org/0906>

The Investment FAQ

No matter what level of investment expertise you have, The Investment FAQ Web site will give you some invaluable information. The site doesn't offer complex graphics or charts, but it offers plenty of advice and educational information. The site's tours provide a great foundation of investment knowledge, and the lists of questions and answers are well-organized. Within each FAQ topic, you'll



find helpful articles and, for those wanting more information, links to more detailed Web sites or suggestions on informative books. If you're looking for investment information and educational materials, you must visit The Investment FAQ.

<http://www.invest-faq.com>

The Investor's Clearinghouse

The site doesn't contain much original information, but it has hundreds of links to other Web sites that will prove helpful in obtaining more investors. Just pick a topic of interest and click one of the links to find the information you need.

<http://www.investorclearing.org>

NAIC

The National Association of Investors (NAI) Web site provides plenty of basic investment advice, especially aimed at those with little or no knowledge of how stock investments work. We found all the links under the Education section along the left side of the home page to be extremely helpful. The NAI offers specific advice for those interested in starting and running an investment club, where several people combine their finances for investment purposes. A few areas of the site are member-only areas; annual membership in the NAI is \$20 per year.

<http://www.better-investing.org>

NASD Regulation: Investor Resources

This site, which focuses on regulating the brokerage and investment industries, contains a comprehensive collection of educational articles for investors in its Investor Resources area. Most of the information is aimed at helping you protect yourself from unscrupulous brokers, either in person or online. The Investor Awareness and Education/Links sections of the Investor Resources page are helpful, especially the How To Avoid Problems and Your Finances hyperlinks.

<http://www.nasdr.com/2500.htm>

OptionSource.com

Trading options probably isn't something a novice investor will want to try during the next few weeks. However, if you ever have the desire to learn how options trading works and when it's appropriate in a balanced portfolio, then OptionSource.com's Education Web page will provide you with solid background knowledge.

<http://www.options-fri.com/option/education.asp>

SEC

The U.S. Securities and Exchange Commission (SEC) Web site contains an investor's Education And Assistance page that discusses personal finance and savings from basic

beginnings. Click the Road Map graphic to take an online journey through the steps you need to follow to begin saving and investing for the future. You'll start with advice on setting financial goals and eventually work your way to determining the types of investments you want to use to reach those goals. The Learn About Investing link also contains some helpful articles for beginning investors.

<http://www.sec.gov/learn.htm>

TheStreet.com

TheStreet.com is famous for its investing news and market analysis, most of which is available only to subscribers. However, the Web site also contains a solid collection of tools and articles aimed at helping novice investors learn more about investing.

The Basics Web page focuses on a variety of subjects, ranging from upcoming industry changes, such as after-hours trading, to advice for investing in bonds, stocks, and mutual funds, to ratings by site visitors of the online brokers. All the information on the Basics Web page is free.

<http://www.thestreet.com/basics>

Market Research

Are you unsure what all the market's numbers mean? What exactly is the Dow Jones Industrial Average? And what does MGMT stand for (first full name, please)? The following Web sites allow you to research individual stocks and the companies behind them or to learn more about U.S. stock markets.

Corporate Financials Online

If you're looking for financial news about some of the largest publicly traded companies in the United States, this site provides an alphabetical list. The links will connect you with each company's investor relations page on the company's Web site.

<http://www.cfinews.com>

Hoover's Online

Detailed information about publicly traded companies is just one click away through Hoover's Online. At the Web site, you can search by several criteria, including the company name, ticker symbol, or a keyword, in the Toolbox area. Once you reach the Web page for a company, you can click the tabs near the top of the page or any of the text links to obtain additional information. Some areas of

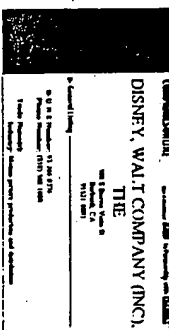
the site, marked with a star, are limited to those with Hoover's memberships, which cost \$499 per year.

If you're looking for the newest publicly traded companies, click the IPO (initial public offering) link on the left side of the home page. You'll find extensive information on companies scheduled to go public, begin offering publicly traded stock in the near future.

<http://www.hoovers.com>

Lycos: Company Research

The Company Research page at the Lycos Web site contains links to several resources for performing business research. You can find financial information for publicly traded companies through the S&P Company Profiles hyperlink. The CITE Yellow Pages and



Lycos Company Research page contains several links to searchable company information.

Companies Online links provide basic information for thousands of companies.

http://www.lycos.com/business/comp_research.html

Market Guide

The Market Guide site allows you to find financial information for more than 12,000 companies. You can search for company information by ticker symbol, company name, sector, or industry classification. Use the Search For text box in the upper left corner of the page to find a company's information. To find the stocks, industries, or sectors that have had the greatest gain or loss in recent days, use the text links in the lower middle of the page.

<http://www.marketguide.com/mgi>

NASDAQ/AMEX

The NASDAQ/AMEX stock market's home page provides the latest news concerning the exchange. If you want to learn more about the exchange and the stocks traded on it, click the Help & Research text link in the upper-left corner of the home page. The Investor Resources

text link in the upper right will help investing newcomers with informational articles.

<http://www.nasdaq.com>

The New York Stock Exchange

The New York Stock Exchange (NYSE), the world's most easily recognized stock exchange, offers a variety of information for visitors to its Web site. For those wondering how the NYSE works or for those looking for investment information, click the Education link and then the You & The Investment World link.

<http://www.nyse.com>

WSRN.com

The Wall Street Research Net (WSRN) Web site allows you to search for information on publicly traded companies on American and Canadian stock exchanges. You'll find data on news, company information, quotes, and other items. Some of the site's information, which has varying costs, is available only to WSRN subscribers.

<http://www.wsrn.com/home/companyresearch.html>

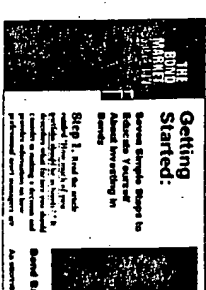
Bonds

Bonds offer one of the safest forms of investments, usually providing a fixed interest rate. Bonds don't provide the chance for big gains (or losses) that you'll find in stocks, but many investors choose safety over excitement. Here are sites that explain the basics about investing in several types of bonds.

Investing In Bonds.com

The Bond Market Association home page contains information on learning how to read bond prices and yields and on determining what percentage of your portfolio should be in bonds. More basic information about bonds is available through the Investor's Guide To Bond Basics link on the left side of the window.

<http://www.investinginbonds.com>



For a basic understanding of bond markets, visit The Bond Market Association Web site.

Bonds Online

You can find prices and rates for several types of bonds at the Bonds Online Web site. For those unfamiliar with how to invest in bonds, click the Research or Bond Professor links along the left side of the screen. The Bond Professor link gives visitors access to an FAQ about bonds.

<http://www.bondsonline.com>

Financial Pipeline Bond Page

If you're different types of bonds work and how they're bought and sold interests you, then click some of the links on the Bond Web page at the Financial Pipeline site. Several of the links also help explain how fluctuations in the economy affect bond prices and yields.

<http://www.finpipeline.com/fried.htm>

Prudential Securities

The Why Invest In Fixed Income Securities? page on the Prudential Web site provides answers to several common questions about investing in bonds. Perhaps the most helpful area is the list of links about various types of bonds, near the bottom of the page.

<http://www.prussec.com/whyfi.htm>

The Syndicate

The Bonds page at The Syndicate Web site provides some basic information about various types of bonds. Click the Municipal Bond Terminology link to see an alphabetical list of definitions for dealing with municipal bonds. Click the Links To Other Sites hyperlink to find other Web sites dealing with bonds.

<http://www.monetpages.com/syndicate/bonds>

U.S. Savings Bonds Online

Anything and everything you wanted to know about U.S. Savings Bonds is available through this site. You can calculate the worth of bonds you currently hold using the Savings Bonds Wizard link along the left side of the home page. You can also find answers to almost any question you might have about savings bonds through the FAQs link. Plus, you can purchase savings bonds online through the Buy Bonds Online link. (NOTE: The server went down occasionally at the time of this writing.)

<http://www.savingsbonds.gov>

Mutual Funds

For investors wanting the potential of a greater return on their money than they receive with bonds, while still avoiding

the extreme volatility of stocks, mutual funds offer an investment of choice. Mutual funds are combinations of individual stocks and bonds, grouped together as a single investment fund. Managers (when they are used) buy the stocks and bonds and hold them in the fund. Individual investors then purchase shares of the fund. While the concept of mutual funds is simple enough, several difficult-to-understand fees and charges can make mutual fund investing confusing. The following sites provide the information you need to choose the mutual funds that best fit your investment needs.

Find A Fund

While the Find A Fund Web site's main purpose is to help investors find the mutual funds they would like to invest in, you can click the Mutual Fund Basics link to learn more about how mutual funds work and to see a mutual-fund glossary.

<http://www.findfund.com>

Fund Spot

Another site that caters to investors with a variety of knowledge levels is the Fund Spot Web site. It offers you the ability to research or read news stories about particular funds. Through the Community Spot link, you can join a discussion about a particular mutual fund. Beginning investors will want to visit the Education Spot link for a few basic mutual-fund tips and for links to other mutual-fund sites.

<http://www.fundspot.com/main.shtml>

IBC

The no-fee funds page on the Interactive Business Channel (IBC) Web site provides links to several articles that will help you understand the difference between mutual funds that charge management and commission fees vs. those mutual funds that operate without such fees. Try the Facts And Fallacies link for a detailed list of how no-fee funds work.

<http://ibchannel.com/noload>

IndexFunds.com

Some investors prefer index funds to traditional mutual funds because they don't charge commissions, because they aren't subject to the whims of a fund manager, and because they attempt to match an index, which is a measurement of certain sectors of the stock or bond markets. You can find

general information on index funds through the UKA's web link on the discussion level link along the left side of the home page.

<http://www.indexfunds.com>

Morningstar

Morningstar is the ultimate authority for research on individual mutual funds. At the home page, type the letter symbol for the mutual fund you want to research in the text box in the upper-left and press ENTER. Morningstar will show you several pieces of key information, including its Morningstar fund rating.

<http://www.morningstar.net/home.html>

Mutual Funds

This site doesn't concern itself with impressing you with graphics and charts. Instead, it focuses on providing solid, useful information concerning mutual funds. The site has a logical organization and features on a variety of mutual fund subjects from commission fees to term definitions. The page provides well-rounded explanations that an investing novice should find useful.

<http://most.sos.state.ma.us/funds/sec/mutunds.html>

Mutual Funds Interactive

You'll have a hard time finding more information concerning mutual funds at a single Web site than you'll find here. Several useful links are available through the left side of the home page, including Expert's Corner, which provides advice about specific funds; Funds 101, which provides basic advice and educational information about mutual fund investing; and Q&A, which provides answers to specific mutual fund questions.

<http://www.fundsininteractive.com>

Mutual Fund Investor's Center

This site contains a solid mixture of mutual fund news, advice, and educational information. Much of the site's information focuses on saving for retirement.

<http://www.mfca.com>

Mutual Funds Made Simple

While this site was created a few years ago, its information remains relevant to mutual fund investors. If you have no knowledge of the workings of mutual funds, this

site will provide the basic explanations you need.

<http://members.aol.com/plweiss1/mfunds.htm>

Investing Analysis

Before taking investment advice from stock brokers or industry reports, you'll want to make sure you have a basic knowledge of how the markets work. Once you have a good grasp of investing, visit the following sites to see what stocks and funds the experts recommend you buy.

Big Tipper

This site collects stock picks from experts appearing on television and in print media and displays them on the Web site. It also lists a scoreboard of the individual stocks most often recommended by the experts.

<http://www.bigtipper.com>

Brifing.com

Stock analysis and listings of upgrades and downgrades of stocks from brokerage are only a portion of the advice you'll find at Brifing.com. Some of the advice and information at the site is fee-based, but the free information is extremely helpful, too.

<http://www.brifing.com/info/index.htm>

Forbes.com

The Forbes.com Web site expands on the solid investing information included in Forbes Magazine. Click the Forbes Link link along the left side of the home page to view the investing and business lists that make Forbes famous.

<http://www.forbes.com>

Inside Wall Street

Do you ever wonder how some people seem to know financial news before it is widely reported? They visit sites such as Inside Wall Street, where the Word On The Street link will give you some of the hottest rumors floating around Wall Street.

<http://www.insidewallstreet.com>

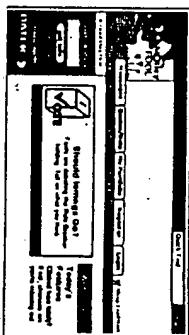
Kiplinger: The Basics

At The Basics Web page from Kiplinger, you'll find reviews of the strengths and weaknesses of more than one dozen online brokers.

<http://www.kiplinger.com/feature/basics.htm>

The Motley Fool

Using a unique mixture of advice, information, and humor, The Motley Fool has acquired a loyal following among all types of investors. The site deserves its following, thanks to its solid information offerings. Click the Stock Ideas link to find advice on individual stocks



The Motley Fool's unique takes on the market make it a popular Web site among investors.

Click the Fool's School link for an entertaining, informative introduction to the world of investing.

<http://www.fool.com>

Prudential

At Prudential's Web site, you can read or listen to a daily analysis of the markets through links on the Daily Market Commentaries Web page.

<http://www.prudential.com/daily.htm>

RedHerring

You will find a solid mixture of news and advice on the Red Herring Magazine's Web site. Click the Insider News & Analysis button at the top of the home page to read the latest news that could help you gain the insight you need for maximizing your investments.

<http://www.redherring.com>

S&P

Standard & Poor's (S&P's) Personal Wealth Web site provides a solid mixture of news and analysis of the markets. If you're looking for straightforward analysis for a variety of markets, click the links in the Today's Analysis section in the upper-right of the home page. The Word On The Street section of the site contains the latest Wall Street rumors.

<http://www.personalwealth.com>

Wall Street City

The Wall Street City Web site's Commentary page contains articles offering advice and analysis of several aspects of

investing, including stocks, mutual funds, and bonds. Just click a link along the left side of the Commentary page to find the advice you need.

http://www.wallstreetcity.com/commentary/commentary_archive.asp

Investing News

Many investors refuse to trust the analysis of experts, preferring instead to rely on their own research. If you're looking for an opinion about the market, thanks to the following Web sites, finding up-to-the-minute financial and investing news only takes a few minutes.

ABS Live

If you don't have time to read market updates, you can listen to RealAudio broadcasts that update the market throughout the trading day at the ABS Live site.

<http://www.abslive.com/mainindex.html>

Singapore Business Times

The Business Times Online, based in Singapore, focuses on Asian markets and companies. You can perform research on companies or read the latest news stories, all in English.

<http://business-times.asia1.com.sg>

BusinessWeek

The online version of BusinessWeek magazine will give you the in-depth financial and investing news you need to make the best investment decisions. Click the BW Investor link to find additional investing and market news.

<http://www.businessweek.com>

CBS MarketWatch

No matter what time of day you visit the MarketWatch Web site, you'll find pertinent information. Before the U.S. stock markets open, you'll read about European market performance and predictions about the U.S. markets. During the stock-trading day, you'll find the latest news on individual stocks. And following the closing bell, you can read exactly how the trading day unfolded in the United States and how the markets are performing in Asia.

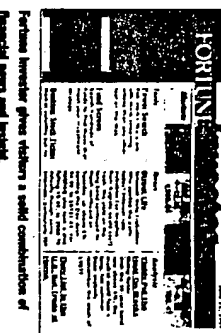
<http://cbs.marketwatch.com/news/newsroom.htm>

Fortune Investor

The Fortune Investor Web site serves as a complement to the print edition of Fortune magazine, focusing solely on investment news and information. Click the News link for the

latest headlines from U.S. markets and global markets. Click the Markets link for in-depth analysis and information about the markets, including the hottest stocks in recent days.

<http://www.fortuneinvestor.com>



Fortune Investor gives readers a solid combination of financial news and insight.

Fox Market Wire

Fox offers a variety of news and information about businesses and finances at its Market Wire Web site. Click the Financial link in the Biz Bulletin area on the left side of the home page to find the site's investing information. At the Financial page, you can search for news related to a particular business through the text boxes at the top of the page.

<http://www.foxmarketwire.com>

Reuters

Reuters is one of the world's leading news-gathering services, providing data and information to thousands of media outlets and Web sites. To find the comprehensive and up-to-the-minute investing news available on the Reuters Web site, click the News link near the top of the home page. Business news is in the right column on the News page. Click the text menu in the middle of the page, click Markets, and click the Refresh button to see the latest news on global markets.

<http://www.reuters.com>

USA Today Money

If you like the color-coded format of the USA Today print newspaper, you'll love the color-coded USA Today Web site. The Money Web page is green, just like it is in the printed version. Current financial news headlines are at the top of the page, and, with newer browsers, they automatically update. Use the text links on the lower-right side of the Money page to obtain more specific financial news.

<http://www.usatoday.com/money/mftrn.htm>

worldinvestor.com

While most financial news Web sites focus on American markets, worldinvestor.com gives its visitors news from markets around the world.

<http://www.worldinvestor.com>

Free Real-Time Quotes

Most Web sites offer stock quotes on a delay of 15 to 20 minutes. Several other Web sites will provide real-time stock quotes for a monthly fee; online brokers usually provide real-time quotes to customers who have opened accounts. A few sites, however, offer free real-time quotes to those who simply provide some registration information. When registering, you'll have to provide some contact information and some personal data, which the sites will usually use to generate on-screen ads. Visit the following sites for free real-time stock quotes.

E*TRADE

You can register as a member with E*TRADE to use the online broker's research tools, including free real-time quotes. (You don't have to open an account first as you must do with other online brokers.) To begin the registration process, scroll to the middle of the home page and click the Go Now text in the Free Membership area. Click the Register As A Member link. After creating a username and a password, click the Continue button. On subsequent visits, click the Log In button.

<http://www.etrade.com>

Free Real Time.com

To begin the registration process, click the Free Registration text link. After selecting a username and password, click the Submit button. During subsequent visits, click the Members Login text.

<http://www.freerealtime.com>

Thomson RTO

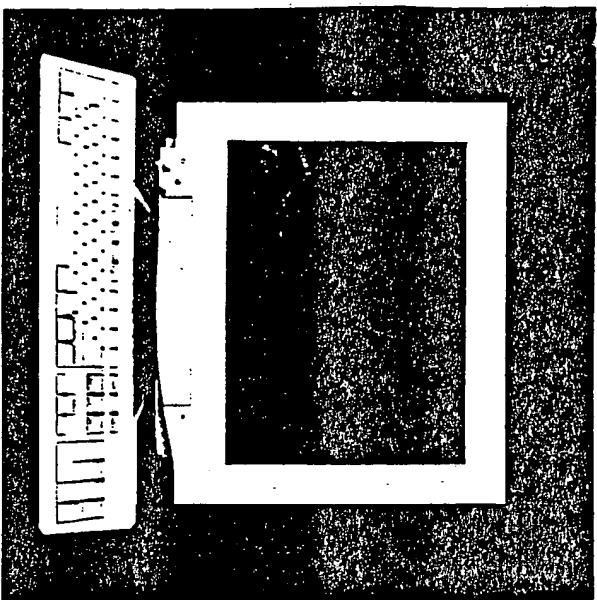
To begin the registration process, click the Register button. After selecting your username and password, click the Continue button. Next you must agree to the rules for real-time quotes and click Continue. At your next visit, type your username and password in the text boxes at the top of the home page.

<http://rtq.thomsoninvest.net/index.shtml>

by Kate Schumman

Tracking Stocks & Investments

Keeping Tabs On Your Portfolio Has Never Been So Easy



It's no secret that the Internet is one of the biggest forces in the Wall Street, some of the best people are logging on to research and control their finances. And it's little wonder why people have embraced the Web as they have. Remember spending hours squinting at tiny columns in the financial pages, multiplying the share prices by the number owned, and finally entering rows of data into a spreadsheet to organize them? Those days weren't so long ago, but they might as well have been the last, after considering how easy it is now. Keeping a sharp eye on your investment performance has

to find the quotes, then I had to chart them. Now before I go to bed, I just click and there it is. How the heck did we manage before?"

More and more people are asking themselves the same question, from the novice investor to the professional analyst. Portfolio trackers work by fetching instant quotes for each of your funds and totaling up your holdings, displaying the information neatly and conveniently. People who own funds, from various sources and retired dividends and gains are especially thankful for hassle-saving automation. Nearly everyone who keeps track of his or her investments finds these ubiquitous tools the time-saver of the century.

Now comes the hard part: sifting through thousands of choices to find a service that best suits you. We've tested a few of the most popular tracking services online to help narrow your choices. Many sites allow free access, but a few charge for premium service. Usually, the free sites are sufficient for surveying your stocks, however, even those that charge only ask for a nominal fee. Oftentimes, the added service is well worth the price.

CBF MarketWatch Portfolios

If you need a comprehensive and dependable resource for stocks, CBF MarketWatch is a solid choice. It bundles an unlimited number of portfolios with up to 200 symbols each, and it tracks options, mutual funds, and stocks on all major U.S. exchanges. You can choose to view news, profiles, earnings, and charts for each of your stocks. Plus, you can arrange to have your portfolio price views updated every five minutes. <http://portfolio.marketwatch.com>

InfoBeal Finance

For those who thrive on up-to-the-minute financial news, this service is for you. InfoBeal sends users daily E-mail with changing prices and news for their portfolios. All users have to do is choose the market index, mutual fund, or security they want to track, as well as which format they want their reports in (such as a QuickView or spreadsheet-friendly format). InfoBeal also sends alerts throughout the day if one of the companies you follow appears in the news. www.infobeal.com/cgi/track

invest-o-rama!

The Portfolio Tracker at invest-o-rama is one of the cleanest and easiest to use of all the

online services we reviewed. Graphical views such as growth, quotes, and distribution pie charts are at your fingertips, along with dozens of other customizable options. You can even keep your portfolio on a spreadsheet program. And one click opens the Java Tracker so you can keep an eagle eye on the state of your investments. This well-arranged and intuitive site even offers portfolio updates via E-mail, at a schedule you determine. <http://www.investorama.com>

InvestorGuide My Portfolio

The My Portfolio section of the encompassing InvestorGuide is small in the grand scheme of the site, but it's exceedingly helpful. The tool contains the requisite functionality of many other portfolio management utilities. However, it has the added benefit of one-click access to additional information. A link next to each ticker symbol in your portfolio takes you to in-depth information about your stock. The simplicity of the tool and the availability of rudimentary investing information makes My Portfolio a natural choice for the occasional investor, while its robustness makes it a suitable choice for more advanced users. <http://www.investorguide.com/Portfolio.htm>

MSN Investor Portfolio

Surprise! The Microsoft site that stands out in the crowd. The investor's portfolio manager is among one of the best out there, allowing you to track up to 5,000 securities in multiple portfolios, as well as track stocks you haven't bought.

In addition, you can swiftly import or export your data into Microsoft Money or Intuit's Quicken, saving you the bother of entering data by hand. You can also import data from other Web-based portfolios. Then, once it's customized, the online manager tracks down your figures into multiple statistics, such as annualized gain and market value. But of course, you also have to download the Microsoft investing software before you can start using the Web utilities. Still, the software is free and well worth the time for download and installation. <http://investor.msn.com>

Quicken.com

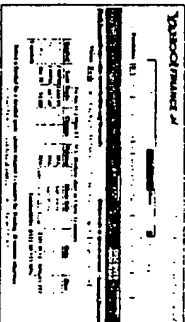
It stands to reason that Intuit Inc., the company that helped define personal finance software, has kept up with corresponding Web applications admirably. Quicken.com's

portfolio tracker certainly indicates that you'll find all the usual functionality, such as news and charts, but you'll also find several tools that make managing your portfolio a breeze.

For example, the Buy/Sell/Reinvest/Split Wizard helps you buy more shares, sell existing holdings, reinvest shares of existing holdings, split shares, and calculate the average purchase price based upon the trade information you enter. This friendly tool also lets you enter commissions and then factors them into your average purchase price. <http://www.quicken.com/investments/portfolio>

SmartMoney.com Your Portfolio

SmartMoney.com's portfolio management tool is probably best-suited for advanced investors, although it's simple enough for anyone to use. The tool, which allows you to have



Yahoo! Finance offers a concise and easy-to-use portfolio manager that can track a customized list of stocks.

up to 20 portfolios containing 20 securities each, tracks your holdings' gains and losses throughout the day and provides you with news about the companies you're following. Moreover, this sophisticated tool also gives you access to high-level analyst projections and recommendations, detailed fundamental research, and links to Dow Jones. <http://www.smartmoney.com/IS/notes/portfolio2>

The Wall Street Journal Interactive Edition

By subscribing to *The Wall Street Journal's* online site, you subscribe to everything you need for investing: all the editorial content as well as its portfolio tracker. True, the fee is \$99 per year for non-print subscribers (\$29 for print subscribers), but that's actually less expensive than having any of newspaper delivered to your door.

You can establish up to five portfolios, each with up to 10 issues, that are updated every five minutes during trading hours. Plus, you can follow changes in your stock's value, its current value, your gain or loss, and most importantly, daily news about your stocks directly from *The Wall Street Journal*. <http://www.wsj.com>

TheStreet.com Portfolio Tracker

This punchy and increasingly pervasive service is abundantly supplied with everything you need for managing your money, including an advanced portfolio tracker. Switching from one portfolio to another is also a breeze with the help of a drop-down menu. There is even a Watchlist feature that permits you to enter stocks you haven't purchased but would like to monitor. But alas, all the great information comes at a price—\$9.95 per month.

Despite its monthly fee, TheStreet.com Portfolio Tracker is a one-stop shop for investing information and membership brings its rewards. For example, as a member you'll receive investment analyst commentary via E-mail and have access to all the site's impressive editorial content. <http://www.thestreet.com/pl>

Yahoo! Finance

The Portfolio feature on Yahoo! Finance is free, organized, and simple to use. If you have ever signed up for Yahoo! services before, you already have access to build and track your portfolios. If you're not signed up with Yahoo!, don't worry: registration is easy. And once you register, you can begin tracking a customized list of stocks, mutual funds, and indices. Yahoo! handles 300 symbols, and you can create as many portfolios as you want.

In addition, take advantage of the advanced features, such as notes, performance tracking, and price alerts. The value of your stocks is constantly up-to-date, and once you set up a portfolio, the information is automatically saved. Another handy aspect of Portfolios is the Download Spreadsheet feature, which, located at the end of your stock quotes, simply clicks its link and you can download a file containing your stock information. Once you download the file, use it for offline viewing in spreadsheet programs such as Excel and Quicken. <http://quote.yahoo.com>

Online Stock

Screeners

Get Help Evaluating
Which Stocks Are Best For You

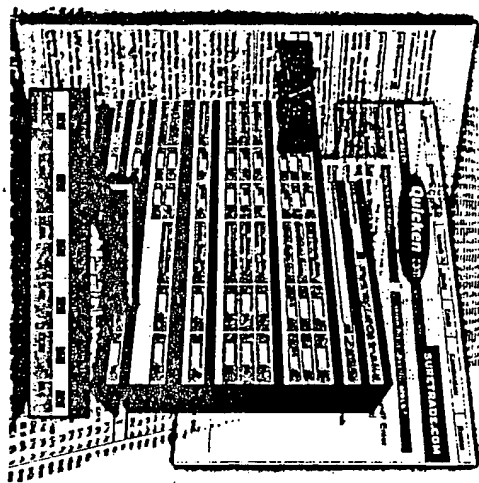
Stock traders used to be magical figures who lived in golden palaces in a mystical land called Wall Street. They had a sixth sense for making the right choice of what to buy and when. Only these intrepid creatures had the gift of selecting the best stocks and funds, and the rest of the world's ponies had to look on from a distance, merely wishing we could wield such powers.

OK, this may be a slight exaggeration, but it's still based upon truth. Many people interested in picking stocks 10 years ago or more were simply too intimidated to do so, and the task was left to a handful of experts on Wall Street. And even if a few novice investors bravely

stepped forward, they seemed to select stocks based upon chance, advice from a friend, or whatever research they could conduct.

Then online stock screens came onto the scene, and the fearless public has never looked back. Anyone with access to the Internet can plug a few personal factors into a stock screener and locate sensible stock investments. These programs help investors make decisions by gathering lifestyle questions, breaking stocks into categories, and providing individuals with the power to make educated decisions about what stocks are safe or risky.

The appeal of these programs is obvious, bringing investment knowledge to the public is an instant hit, and Web sites that specialize in screening stocks have mushroomed. The trick is knowing what online screener is best



more data than you need. The Advanced Screen lets you target your search more narrowly, although you still may be bombarded with information.

<http://www.dailystocks.net>

Hoover's Online Stock Screener

Many noteworthy stock screeners charge for providing good service, but Hoover's Online Stock Screener is free and compares well with the others. You can search

by filling in 20 performance guidelines, and you can easily arrange the results into a more readable format.

What makes StockScreener stand out is Hoover's company capsule for each company listed. By clicking the name of a stock, you will see a type of score card for it, complete with company history, location, contact information, news, related links, and current stock price data. However, only the elite members of Hoover's service have access to the company profiles; membership costs \$14.95 per month.

<http://www.stockscreener.com>

IQC.com Advanced Stock Research

for you. There are two types of stock screeners: the type that give you a pre-determined set of choices that it assumes are good bets, and the type that lets you specify your own criteria so it can output customized results. Whichever type you decide to use, make sure you fully understand how it operates so you can get the best results.

Daily Stocks

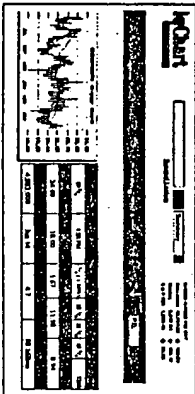
There are no frills on Daily Stocks, just click one of the three links next to Free Screening and receive quick stock and mutual fund screenings that result in reams of information. The Basic Screen is made of pre-set choices, but the results, which are based on relative strength, institutional sponsorship, and growth trends, are so copious that you have

Market Guide NetScreen & StockQuest

Market Guide offers two quality stock screeners, NetScreen and StockQuest, both of which could stand several rounds with other competitor's offerings. To access either one, simply click the Screening link at the top of Market Guide's start page. NetScreen is a Java application that allows you to screen for stocks with 20 variables, while StockQuest is a more robust application that requires a download. Unfortunately, NetScreen's Criterion Builder, the tool used for specifying variables, is less than intuitive. But a decent financial help resource will aid you in making the right selections.

StockQuest, on the other hand, lets you research more than 10,000 companies and use 50 pre-defined variables in its User-Defined Variables is another nice feature that StockQuest offers. This feature lets you customize the software by creating your own screening variables, portfolios, and reports. The downside of StockQuest is that you have to download an update to the software every week.

<http://www.marketguide.com>



MarketGuide is making effective charts, and its stock screeners do their part by making full use of those charts.

MarketPlayer Stock Screening

While some screeners emphasize user-friendliness, MarketPlayer accentuates flexibility and power. Stock Screening gives you the capability to go through 4,000 U.S. equities or industry groups with more than 100 data variables, based upon company earnings, estimates, fundamentals, and price statistics. That complexity would be enough in itself to make this tool valuable, but what MarketPlayer specializes in is analysis. It crunches numbers in any way you care to imagine.

Custom Gateways provides a more basic quick screen, with a few pre-populated searches designed to give you thorough reports on whatever ticker symbol you designate. The

Sample Reports section contains 16 of MarketPlayer's favorite quantitative screens, each of which search for top performers using set criteria.

<http://www.marketplayer.com>

Morningstar

It's no surprise that Morningstar, the leading provider of mutual fund statistics and analysis, has in-depth screening tools. That is, as long as you are a premium member of the site. With a membership fee of \$9.95 per month, you'll have the sufficient stock screening tools you need to make top-notch decisions.

The free screening tools, which are available at the site for nonmembers, however, leave much to be desired. Basic Screens consists of two drop-down boxes from which you choose a stock category and screening field. The results are then arranged in descending order of strength, depending on which screening field you selected. With only two selection criteria, the screening results are too wide to help novices make educated buying decisions. Two other links on the left side of the screen are also screening tools. Fund Selector gives you access to its database of more than 6,500 funds and Stock Selector taps into a directory of more than 8,000 stocks.

MSN

MoneyCentral's Investment Finder

The Microsoft Network has a stock screener, Investment Finder, that's undoubtedly one of the finest out there.

The site is also complemented with several worthwhile services, such as investment change bulletins, mutual fund reports, and company earnings investments. Investment Finder is undoubtedly powerful, proven by the 300 search guidelines that sort through 8,000 stocks and 8,000 mutual funds, along with financial analysis and analyst recommendations.

You also can browse the 20 pre-set stock and fund screens if you feel overwhelmed by choice. The Research Wizard, however, eliminates some of the scare by guiding you through each step in the process of finding suitable stocks. Investors can also save screens and reuse them in the future. To access Investment Finder, click the Finder link at the

top of MSN MoneyCentral's start page for Investor.

<http://investor.msn.com>

NASDAQ Stock Screening

Naturally, as part of the world stock exchange NASDAQ would have a top-quality stock screener to offer to novice investors. You can filter NASDAQ, AMEX, and NYSE stocks through up to 30 criteria and deliver up to 100 stocks at a time. It's also easy to create your own screen, simply choose from the pre-existing stockpile or add additional criteria to the original samples.

NASDAQ also offers screening for mutual funds from a database of 8,000 selections, as well as the top 15 performing funds in more than 20 categories. One unique feature that NASDAQ offers is Sector Funds, which lists the net asset value and 12-month return for mutual funds holding a majority of their portfolio in a specific sector.

<http://screening.nasdaq-amex.com/screening>
NASDAQsearch.asp

Quicken.com Stock Search

As the leading manufacturer of personal finance software, Intuit Inc. (the makers of Quicken) is naturally interested in advising you about what kinds of stocks to buy. And its screening tools are practical for all levels of investors. Popular Searches uses preset criteria that displays the best selections, and EasyStep Search goes a step further by breaking the stocks into categories of specific industries.

Full Search, which simply lists all the search criteria on one scrolling page, is another tool you can use. With Full Search, however, the tips are stripped away, although Quicken does provide instructions and hints to help you make the most of your search. In addition, Quicken adds more to your search by providing a handy tool that lets you compare securities once you have weeded out the stocks that interest you.

<http://www.quicken.com/investments/stockssearch>

Mutual Fund Screening

Internet veteran, Quote.com, has been online since 1993. This Web site specializes in screening mutual funds with two kinds of use. Mutual Fund Screening lets you screen investments by 23 criteria, such as third-party fund ratings, prices, assets, and historical returns.

Investing

Each fund is then ranked according to what you consider most important.

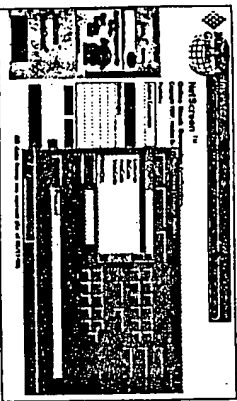
The best part about Quote.com's Mutual Fund Screening is that you can make up to four separate screening profiles for each kind of fund you're seeking. You can also have the program run automatically on a regular basis and have the results sent to you via E-mail.

<http://www.quote.com/research/screening/index.html>

Rapid Research

Rapid Research boasts two handy screening tools, as well as five years of historical and fundamental data. Both of its screening tools, Basic and Advanced, give you enough variables to churn out well-rounded recommendations. Basic presents eight variables, whereas the Advanced choice includes 56 variables.

Rapid Research also has a pre-screened section, Top Stock, that lists more than 8,000 companies and the top 20 stocks for income, value, and growth. The charts and variables are notably complete, especially the Interactive Chart, which generates a customized illustration according to the information you designate. In addition, the impressive range of



FundFinder Pro: Funds ahead of several competitors with its flexible and powerful stock screening capabilities.

charts are available for any screening tool you decide to use.

<http://www.financialweb.com/rapidresearch/index.asp>

StockTools Super Stock Screener

Many screeners have a selection of canned criteria, but the Super Stock Screener from StockTools lends users the utmost in flexibility by letting them fill in all the parameters. For example, by choosing their own variables under stock fundamentals, revenues and ratios, growth rates, and industry comparisons, investors will more effectively narrow

down the results from the leading U.S. and Canadian exchanges. StockTools also provides current quotes, charts, and detailed reports on each share.

<http://www.financialweb.com/stocktools/query.asp>

Stockpoint Investment Tools

The collection of screeners at Stockpoint is manifold, giving you plenty of options for scouting the winning stocks or mutual funds. Stockfinder, Stockfinder Pro, Fundfinder, and Fundfinder Pro each have unique utilities that can effectively serve anyone—from the experienced day trader to the occasional investor.

Stockfinder searches the major exchanges (NYSE, AMEX, NASDAQ) to find matches for your criteria and provides additional information for each result. Stockfinder Pro provides through 10,000 publicly traded companies and returns a list of up to 100 stocks, based on 26 variables such as price, risk, size, and revenue. Fundfinder and Fundfinder Pro work similarly. Fundfinder returns the top 25 Mutual Funds in each category and ranks them by performance. Detailed profiles and charts are available for each load and no-load fund.

Fundfinder Pro permits you to enter more personal search criteria, getting into the nitty-gritty of minimum initial investments and performance during given time periods. Neither Stockfinders nor Fundfinders are meant for absolute beginners, but the flexibility of having so many tools in one place pays off for an experienced investor.

<http://www.stockpoint.com/etnavresearch.asp>

StockSelector.com

When StockSelector finishes assembling its collection of stock screeners, it will be one of the most comprehensive collections on the Web, granting highly targeted searches. As it stands in its unfinished state, the Basic Screen and Advanced Screen already give a good cross-section of stock options, especially for novice investors. Other screening tools might present dozens or hundreds of variables, but StockSelector breaks down the process into more manageable chunks.

Basic Screen presents fundamental information, such as analyst recommendations and

growth rates, based on criteria like price to earnings ratios and 5-year historic earnings. Each return also is accompanied by charts, analysis, projections, and discussion groups. A handy link even lets you automatically add a stock to your portfolio. Moving up a notch, Advanced Screen adds several more guidelines, including the "days until next earnings" date.

<http://www.stockselector.com/screen.htm>

Thomson Investors Network

Thomson Investors Network specializes in sorting through stock and bond funds with a simple but effective screener. Clicking a series of checkboxes generates a report based on dozens of criteria in seven categories. Results are then compiled into one scrolling page that takes a long time to load. Narrowing your search, however, is a simple one-click process. Best of all, each stock is accompanied by several useful charts. Unfortunately, this is where the free service ends. In order to receive complete fund reports, background research, alerts, and NAV charts, you'll need to buy a \$34.95 yearly subscription.

<http://www.thomsoninvest.net/cgi-bin/money/fundfinder/screen.asp>

Yahoo! Finance Stock Screener

The Stock Screener from Yahoo! Finance is as useful as it is dear. The no-fills and gives you eight variables that help sift through 6,000 equities, which are updated weekly. You also can read consensus estimates and a summary of analyst recommendations from Zacks. As always, Yahoo! provides several useful links, including news links related to the stock in question.

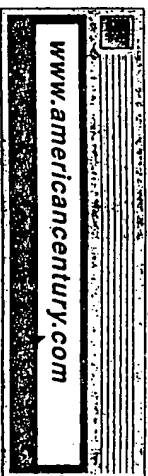
The Fund Screener is a similar utility that gives you a list of funds based on variables that include category, investment quotas, expense ratios, assets, turnover, performance, and rank. Both of these screening applications load quickly and are extremely user-friendly, especially given the glossary of financial terms they include.

As with most services at Yahoo!, don't forget to register first. If you've ever signed up for Yahoo! services before, you already have access to its screeners. If you're not already signed up with Yahoo!, it won't hold you up because registration is simple and quick. And once you register, you can begin using all of its financial services.

<http://finance.yahoo.com>

by Monique I. Candler

13



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Here Today, Gone Today

Day Trading & Other Short-Term Investments

You likely have seen the Internet ads offering day-trading services and promising big gains in a minimal amount of time. Maybe you even have a friend or co-worker who talks about making thousands of dollars a day through day trading. Before the advent of online brokers, this type of trading required renting time at a fixed terminal or calling a broker dozens of times a day. Now investors at home can use their PCs and an Internet connection to day trade. The question is, should they?

■ What Is Day Trading? A day trader is a person who buys a security and holds it only for a few hours or minutes before selling. There are variations on this theme, like swing trading, where you hold securities for no more than a few days, and "active investing," where you hold investments for a day, week, or month, but never for more than a year. All of these short-term investment strategies have drawbacks that investors must understand before trying them, but day trading poses the most risks.

One danger of day trading is that it involves purchasing volatile stocks. Day traders do not want to buy stocks like Coca-Cola Co. that gradually appreciate over years or decades. They are looking for the quick gains associated with the day-to-day price swings companies experience. Even swing traders and active investors pursue on new issues that are likely to balloon in value or stocks in companies that are ripe for a private buyout, instead of putting money in a stable-growth company.

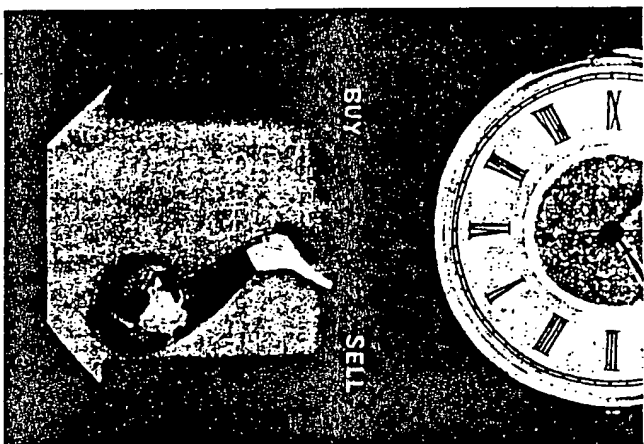
Brokers love day traders. They do all they can to provide the kinds of resources day traders require, because adherents to this investment strategy pay big bucks in commissions each year. Have you ever wondered why many of the special offers and incentives to

open an account with an online broker are not applicable to retirement or custodial accounts? It is because these types of accounts generally focus on long-term investments, and brokers do not make as much money on fees and commissions.

Let's assume a day trader is making an average of two orders per day (a sell order and a buy order). Many make more trades than that, but this is a conservative example. We also will say traders are being made 200 days of the year to make a conservative account for weekends and holidays. With the \$30 per trade, many discount brokers charge, it adds up to \$12,000 in commissions alone.

Not even the lower commissions offered by online brokers can compensate for the drain day trading can take on a portfolio. With 400 trades per year, dropping the commission to \$7 still equals \$2,800 of your money in the broker's pocket. Many of the brokers we looked at that specialize in day trading charge \$20 commissions and offer special incentives for traders who make 50 to 150 trades per month. With these prices, you will have to either start with a substantial amount of money or have exceedingly good luck to make much profit after the broker is paid.

If investments are not shielded by a tax-exempt or tax-deferred account, there also is the issue of short-term capital gains taxes to consider. The government defines a short-term investment as one held for a year or less, and a



long-term investment as those held for more than a year.

Any time you sell a short-term investment the government taxes the gain at the current tax rate of the person who sold it. The government takes a similar slice of a long-term investment at 10% for people in the 15% tax bracket, and at 20% for other tax brackets. For people in the 35% or 39.6% tax brackets, holding securities for more than a year can have obvious tax benefits, assuming the securities do not lose value. For more information on this, read the IRS's "Publication 550: Investment Income and Expenses," available at <http://www.irs.gov/pub/irs-pubs/p550.pdf>.

Ironically, one of day trading's biggest drawbacks—the research time it takes—is what makes it attractive to most people. Some investors feel long-term investments are boring and prefer the excitement of checking stock quotes constantly and making several investment decisions per day or week. It may seem the Internet has made this type of research easier, because it makes the information more accessible. Unfortunately, so much information is available that you lose any time you save

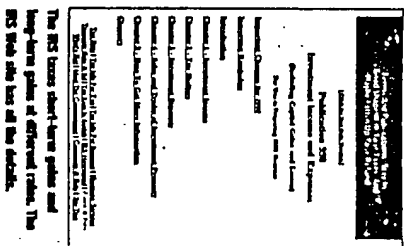
acquiring it when you begin the chore of sifting through it. This means day traders spend hours each day gathering and filtering data, making this a full-time job and not something for the investor with little time to spare.

For these reasons and many others we do not have the space to discuss, it is easy to see why most respected financial magazines and services do not view day trading as a viable investment method for the average person. The Motley Fool, one of the most popular investing resources online, has great contempt for this investment strategy.

The reason why we frown on day trading, says The Motley Fool's Karen Kasey, "is simply because we think that the best returns are made by finding great companies and holding them for the long term. We believe that day trading, although popular, is simply a form of legalized gambling, not investing in a business." You can read more about the perils of day trading at The Motley Fool's Web site, <http://www.fool.com>.

■ Taking the Plunge. If the risks seem reasonable or you just want to devote a small percentage of your portfolio to day trading, there are a few essential tools necessary to get started.

First, you want a fast broker. Timely information is worthless if you can't execute actions immediately. Brokers that handle day traders use several types of execution systems and Electronic Communication Networks (ECNs) to facilitate orders. For instance, the NASDAQ Execution System (SOES) that executes individual orders immediately. The drawback is other day traders using SOES may be in the queue before you, so there still is no guarantee you will get the price you asked for. Good brokers specializing in day trading offer cheap or free access to ECNs, which are separate trading networks that are much better at immediately matching asked and bid prices. The Island (ISLD) is a good example of an ECN, as it conducts enough business that it is currently going through steps to become a separate



stock exchange. You can learn more about the Island, and ECNs in general, at <http://www.isld.com>.

If swing trading or active investing interests you, you won't need all the bells a whistles provided by a day trading service, but having a fast online broker helps.

Keynote Systems Inc. recently timed how long an average stock transaction took using the leading online brokers. It found that the fastest broker, Dreifus, took an average of 7.47 seconds to take an order, compared to a 38.35 second average at E*Trade.

Keynote also measured the success rate at each site, looking at the number of successful transactions compared to the number of transactions followed by Web page failures or other glitches. It achieved a success rate of 99.3% at Brown & Company, as opposed to a success rate of only 46.7% at Suretrade. You can look for more studies like this at <http://www.keynote.com>.

Be careful of hidden fees when choosing an online broker. Many of those we looked at that specialize in day trading charged extra money depending on the stock exchange and ECN used, and tucked extra handling fees on to all

transactions. Most also charge a monthly fee of \$200 to \$400 for their advanced services (although most waive the fee if you make 50 or more trades per month).

You also will need access to real-time quotes. Many services offer free stock quotes they delay by 15 to 20 minutes, but that is too slow for day trading. Instead, find a broker that offers real-time quotes as part of its standard account services, preferably Level II quotes. Level II quotes offer much more information than typical Level I real-time quotes and require many interpretive skills. You can learn more about the complexity of Level II quotes at Phatco.com's Level II Tutorial, found at <http://www.phatco.com/level2.htm>.

Another thing you will need is a lot of money. Most brokers require \$5,000 to \$25,000 to open a day-trading account, but these minimum amounts are not going to get you very far. To have a chance of minimizing the impact of commissions and fees, you'll require hundreds of thousands of dollars. The average investor starting with \$5,000 quickly will see their gains, as well as their initial principal, swallowed up by the costs of day trading.

Many day traders employ an array of advanced tools to make their lives easier, more tools than we have room to discuss. A decent overview of the other basics involved in day trading is at the Daylight Trading FAQ page, found at <http://www.daylighttrading.com/faq.html>. Beware, this is a commercial broker site for day trading and therefore displays a bias in favor of day trading. But it's a good example, as many of the features the site offers are what you will find at similar sites.

Level II

Myths, Truths, and some secrets I just made up

Don't let Level II intimidate you. It's not as scary as it looks. It's just a bunch of numbers and letters. And it's free. You can get it right now. Visit www.phatco.com/level2.htm and you'll see it all. It's not as scary as it looks. It's just a bunch of numbers and letters. And it's free. You can get it right now. Visit www.phatco.com/level2.htm and you'll see it all.

Learning how to interpret Level II quotes is an essential part of successful day trading.

■ The Bottom Line. If you have a friend, family member, or colleague who is fond of bragging about the big returns they are seeing from day trading, be sure to ask them what their net profit is after factoring in taxes, commissions, and other costs (such as Maxtor for those beach days). Also, ask them how much time they must spend researching stocks, staring at quotes, and executing orders. Chances are, those boring mutual funds and long-term stocks in your account are providing consistently better returns while freeing up a lot of time for activities more fun than gazing at prices on a computer monitor. **(E)**

by Tracy Butler

Secure Your Financial Future

Where To Look For IRA Information

If you have a nagging feeling that you should be saving some money for your retirement, then you may want to learn about individual retirement accounts (IRAs). The best places to do this are on the Web. Many Web sites offer information on what an IRA is, how to set one up, and how to fund your IRA.

The Web is also a great resource for people who already have IRAs. It is a great tool for finding out and tracking just how much your IRA is earning. You will also find information on all the government rules and regulations concerning tax penalties for early withdrawal and how to convert from the traditional IRA to the fairly new Roth IRA.

(NOTE: The only downside to all this free information is that many of the Web sites that purport to give unbiased information are actually selling you something. Plus, many try to induce you to sign up in some form so they can get your name. This is why you need to read the fine print on the Web site and carefully note who is funding the site.)

■ **Learning About IRAs.** First off, you have to decide whether an IRA is right for you. If it is right for you, then you will need to decide what type of IRA to open. The following Web sites will get you started on your research.

Benefitlink

The Benefitlink Web site has more than just information on IRAs; it has information on benefits plans, retirement, Medicaid, Medicare, and much more. To access IRA information, select the Links by Topic hyperlink at the top of Benefitlink's home page. On the next page, select IRAs. This will take you to a page of links to articles about IRAs. Check out the Using Your Roth IRA link.

<http://www.benefitlink.com>

CPA Ed Slot's Tax Information Headquarters

Ed Slot, a CPA who turned media star with his Ed Slot's IRA Advisor newsletter, runs the IRA Help Web site. The Web site isn't jam-packed with information, but the information that is there is to the point, and it answers a lot of basic IRA questions.

<http://irahelp.com>

The Motley Fool

If you are looking for financial information on any topic, turn to The Motley Fool. For IRA information, click the Money button at the top of the home page. Then select the All About IRAs link. This huge guide to IRAs will answer every question you have about IRAs. It even has a calculator you can use to determine whether you should convert a regular IRA to a Roth IRA.

<http://www.fool.com>

Roth IRA

The Roth IRA is named after Senate Finance Committee Chairman, William V. Roth. (It took effect in 1998.) The Roth IRA is a nondeductible IRA, and you can convert your old IRA into a Roth IRA, but there are strict guidelines. The Roth IRA Web site contains a treasure of articles on everything you would ever want to know about the funds.

<http://www.rothira.com>

■ **Invest Online.** Many of the major financial groups, mutual fund companies, banks, and brokerage houses are starting to offer online investment services, including IRAs. Here are a few of the companies that offer information about online IRA investing.

InvestorGuide

A good place to start your search for the right place to invest is the InvestorGuide. It offers links to articles, planning calculators, and even software that can help you decide how to get the most for your money. It even has a link to Bank of America, which will help you get hooked up with banks in your state where you can open an IRA.

<http://www.investorguide.com>

Netstock Direct

Before you even consider investing online, however, take a look at Netstock Direct's site for loads of solid advice about investing without a

broker. Click the Investment Primer link at the bottom of the home page to open a great page (<http://www.netstockdirect.com/resources/primer.asp>) with basic explanations on how direct investment plans work and a guide to the site's free online planning tools.

<http://www.netstockdirect.com>

Strong Online

Strong Online is an excellent resource for learning about and investing in IRAs. Go to Online Application (<http://www.strong-funds.com/strong/download.htm>) to view and print an investment kit, prospectus, and application for regular, Education, or Roth IRAs. You can also download free brochures on IRA investments.

<http://www.strong-funds.com>

T. Rowe Price

T. Rowe Price offers a comprehensive site on all aspects of online investing, including a special section for retirement funds and IRAs. The site provides a lot of basic information on the rules and regulations for Roth and traditional IRAs. Plus, it even provides some sound advice for rolling over your IRA. You can also download worksheets to determine if you're eligible for any IRA. You can open up an IRA account, convert a traditional IRA to a Roth IRA, open an Education IRA, or roll over an IRA, all right on its Web site.

<http://www.troweprice.com>

Vanguard

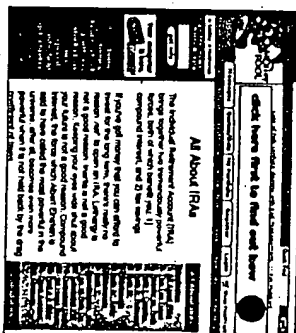
The Vanguard Group, a mutual fund company, lets you open an IRA account online. You can even begin an Education IRA, with the goal of growing a nest egg for your child's college education. The site takes you through a series of steps to open an IRA account. First, you have to decide which type of IRA you'll open, and your method of purchase, meaning depositing money directly or rolling over from another IRA fund. Then, Vanguard will ask you to read a series of statements concerning the legal requirements, restrictions, and regulations on opening the type of IRA you've chosen. After you fill out your personal information, including your Social Security number, you'll have to print your forms, sign them, and mail them to Vanguard.

<http://www.vanguard.com>

Planning Tools

One of the biggest advantages of cruising the Web for financial advice is the plethora of interactive calculators and planning tools you can find. This kind of

software can give you concrete answers on how much you can expect to make on your investments. You must download some of the software, and you can use others right online. If you're worried about somebody padding your personal information, don't be. Unless you log onto a site, the companies have no way of knowing who you are. Of course, there are no absolute assurances against thieves hacking into



The Motley Fool has a great guide to individual retirement accounts (IRAs) on its Web site.

a company's Web site to gather information, but the numbers you enter into these kinds of calculators aren't saved anywhere and can't usually be fed back to you.

Financenter

By far, the best IRA planner is at the Financenter's calculator site. There, you can use its ClickCals, which are easy-to-use, drop-down fields of questions, such as "Which IRA will provide the most retirement income." Each question leads to an interactive form where you fill in various financial details and options so you can compare results. The design is a little tricky, however, and it takes a while to figure out that after you fill in all the information, you have to go back to the top of the page and click the Results tab to see your data.

<http://www.financenter.com/retirement.html>

Financial Planning for Retirement

The Administration on Aging's site has some good information for planning your financial future. It includes worksheets, tips, and articles to help you decide how to set up your retirement portfolio.

<http://www.aoa.dhs.gov/retirement/pfr.html>

Quicken

You'll find multiple software planners at the Quicken retirement site. These planners let you plug in your numbers to compare what kind of IRA will be best for you, whether you're eligible, and how your contributions will grow by the time you retire. The site also features information articles. Make sure you check out its article on avoiding fraudulent IRA schemes (<http://www.quicken.com/retirement/articles/878003367.72091>).

<http://www.quicken.com/retirement>

Retire Early's IRA Toolkit

Retire Early's IRA Toolkit is chock full of facts, advice, planning calculators, and research studies geared toward helping you determine exactly what you can expect from your IRA.

<http://www.geocities.com/Allisrael/8237/ira.html>

Retirement Contribution Analyzer

You can find the best overall IRA planning tool, the Retirement Contribution Analyzer, on Ernst & Young's Web site. It helps you compare different types of IRAs (such as the Roth IRA vs. a traditional IRA). However, it requires you to have Microsoft Excel 7.0. Unlike many of the tools on the Ernst & Young site, the Retirement Contribution Analyzer is free.

<http://www.ey.com/ira/pf/ira.asp>

RetireNet

RetireNet, sponsored by the American General Financial Group and VALIC, has a wonderful IRA calculator. To access it, click Calculators, IRA Calculator, and then IRA Starter. This will open an interactive questionnaire designed to help you determine which IRA is the right type for you. It asks you questions such as, "Do you expect to leave the money in your account for at least five years and until you reach age 59.5?" and then offers suggestions with explanations. You can also click IRA Converter to help you decide whether to switch from a traditional IRA to a Roth IRA.

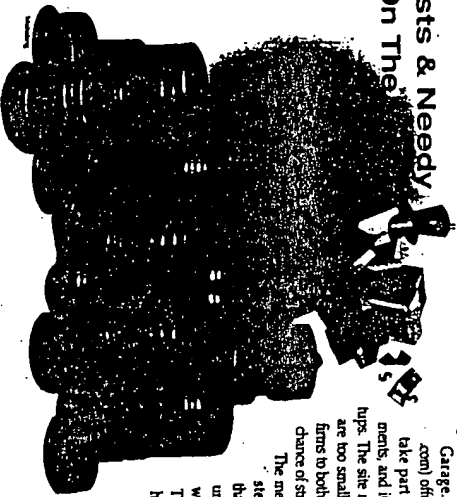
<http://www.valic.com>

by Robin Schrier Hoffman



Place Your Bets

Venture Capitalists & Needy Startups Meet On The



Businesses seeking seed money to get off the ground face a catch-22 when asking a bank for a loan. Banks look for companies with a long and stable record of accomplishments and often shy away from new businesses. Banks want their loan money back with interest, and upfront companies tend to go bankrupt. Venture capitalists operate on a different set of principals. Instead of giving a new or expanding business a loan, they invest in it, buying shares or equity and hoping for big returns down the road. Companies that flourish give the venture capitalists more money for new investments and usually make up for companies that flop.

The problem, then, for venture capitalists is finding good businesses in which to invest. Some people make their living finding solid new businesses and telling venture capitalists about the finds. The do-it-yourself-type venture capitalists who do not want to pay a finder's fee can use online resources to find businesses ripe for investment. The Internet is a terrific resource for matchmaking. The success of online auctions and job-hunting services attests to this, so it is a small wonder that several sites exist to help businesses and venture capitalists find one another.

■ Finding Investments. One of the best overall resources on the Internet for venture capitalists is Venture Capital Online (<http://www.vcapital.com>). In addition to a superb matchmaking service, the site offers information on everything else related to venture capital. For investors the highlight of the site is the Venture Capital Clearinghouse, which connects venture capitalists with investment opportunities.

The Venture Capital Resource Library provided by Vantage.com (<http://www.vantage.com>) is another eclectic site that

box that lets users add keywords to the search, making this one of the most powerful matching databases we found.

Garage.com (<http://www.garage.com>) offers a way for individuals to take part in venture capital investments, and it specializes in business startups. The site mainly lists companies that are too small for most large investment firms to bother with, yet still offer a good chance of strong investment returns.

The membership requirements are steep, and the site requires that new members sign a document stating they have a net worth of \$1 million or more. This does not mean members have to invest that much money, and most of the business investments listed at Garage.com require individual investments between \$50,000 and \$100,000.

The Securities and Exchange Commission (SEC) simply requires the signed document before Garage.com members can invest. In addition to the net-worth requirement, members must demonstrate they are seasoned investors with experience in startup companies.

Nest.com Inc. has thousands of potential investments at its Investment Opportunities page at <http://www.nest.com/opportunities>. The site offers links to recent offerings, along with a search engine to access the remainder of the database. The listings that appear show the amount of money companies need, their stage of development, and other pertinent information, including a full description of the operation.

If you are looking for venture capital firms there are a few helpful sites. The W. Maurice Young Entrepreneurship and Venture Capital Research Center maintains a huge list of venture capital investment firms at http://pacific.commerce.ucla.edu/evc/vc_firms.htm. Many of the other sites mentioned in this article also include links listing thousands of venture capital firms like the section of Vantage.com found at <http://www.vantage.com/vcap.htm>.

■ News & Information. Keeping up with the latest news in the world of venture capital is easy on the Web. One of the best

places to visit for news is the Venture Capital Page at Red Herring Communications' site. This site pulls news from all over to provide venture capitalists with free, fresh, and targeted information each day. The site is located at <http://www.redherring.com/vc/home.html>.

Vantage.com has new venture capital news along with a searchable archive of past stories. You can use keywords to root out stories about a specific company or entrepreneur, and the results arrive in a nice list format. The site also has a sizable list of external financial news sources, in case the story you are looking for is not in the Vantage.com archives.

An incredibly useful resource is PrivateInvestor's Cooper's Money Tree Survey found at <http://www.privateinvestor.com>. This quarterly report shows how much venture capital people are spending throughout the United States, who is spending it, and what they're spending it on. It is possible to view the aggregate results for a broad overview, or see results by categories of region, industry, state of development, or type of financing. You can also perform category searches.

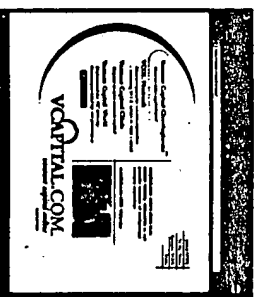
Clicking a category shows a summary bar chart, and you can click the bars of the chart to drill down to find specific information about individual companies. The reports show where the company is, how much money investors have pumped into it, and its stage of financing, along with other valuable tidbits. There are even links to the company Web sites and links to the venture capital companies or funds that invested. The Money Tree Survey is perfect for spotting venture capital trends, and even has a list of venture capital funds listed by industry and region.

For company research, try Hoover's Inc.'s Hoover's Company Information site, at <http://www.hoovers.com>. This site, and similar sites like NewsEdge Corp.'s Company Lookup (<http://www.companylookup.com>), contains all the data you will possibly need on most privately- and publicly-held companies. Users can view SEC filings, historical price charts, and expert editorials on nearly any company. Hoover's is nice for looking up IPOs and secondary offerings, for international business information, use the Winthrop Corp.'s Corporate Information site at <http://www.corporateinformation.com>, or the European Business section of Vantage.com.

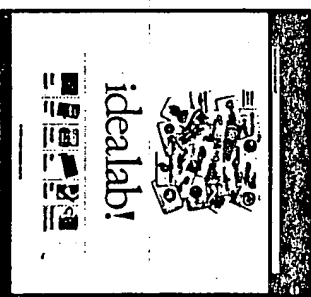
If none of those sources turns up the information you are need, then head to Fuld & Company's Internet Intelligence Index (<http://www.fuld.com/II/index.html>). The

index divides its comprehensive list of business links into dozens of categories, including an industry breakdown. Clicking the Company Information link brought up more than twenty excellent sites for use in conducting detailed research.

If you need to conduct a patent search, there is no better place than the Web. IBM Corp.'s Intellectual Property Network (<http://www.patents.ibm.com>) has a fully searchable database of European, Japanese, and American



Vantage Capital Online is a great place to start whenever you plan to launch or are looking for venture capital.



Idealab! companies are so hot that some venture capital firms, such as Idealab!, have to turn them away.

patents dating back to 1974. Other sites to look at include Manning & Napier Information Services Patentliner (<http://www.patentliner.com>) and the U.S. Patent and Trademark Office site at <http://www.uspto.gov>.

■ Finding Venture Capitalists. Most of the sites described above cater to both

investors and companies seeking funding. However, companies seeking venture capital need more than a solid business idea to get capital; they need to know how to get the attention of investors. This takes an excellent business plan, created to the mentality of a venture capitalist, and other knowledge and skills that are unique to the venture capital market.

One of the best venture capital overviews we found is the How to Raise Venture Capital Money page at Bizmore.com's Small Business Knowledge Base (<http://www.bizmore.com/startup/nl.htm>). Here you will find all the best definitions and facts that you'll need to understand the advanced content found at other sites. The site has an amazing variety of other business resources, so be sure to navigate to the main page (<http://www.bizmore.com>) to take a look.

Another good place to begin is Intel Inc.'s Small Business by Quicken.com site (<http://www.quicken.com/small-business>). The Start A Business section has all manner of funding information, including Quicken.com articles and links to external sites with relevant information.

Vantage.com offers an outstanding Venture Capital Clinic. Here beginners can learn all the basics they will need to know to get their business financed, including advice on how to prepare a business plan to grab the attention of venture capitalists. The Professional Services section of the Clinic has an outstanding overview of the various types of professional funding sources, ranging from individual investors (angels) to enormous venture capital firms and investment bankers. Users also will want to look at the information at the site's Venture Capital World, which contains facts, figures, and definitions related to venture capital.

If you have an Internet business that is seeking venture capital, you will be happy to learn that several venture capital sites devote all their resources to these sorts of businesses. Bill Gross' Idealab! (<http://www.idealab.com>) has funded several popular online companies such as eToys and Free-PC. Another company that specializes in online firms is CMGI Inc. (<http://www.cmgi.com>). Regardless of what type of company you have (or hope to have), here are venture capitalists out there who want to turn your bright idea into a brilliant, money-making business. ☐

by Tracy Baker

Join The Club

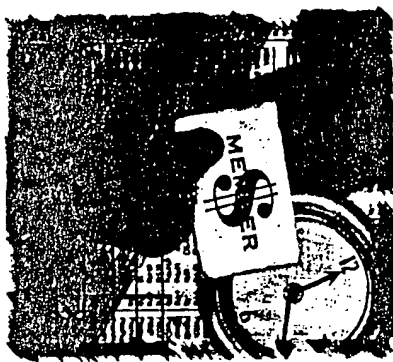
Investment Clubs Let Individual Investors Share Risks & Rewards

You'd really like to invest that little nest egg your great aunt left you, but the idea of hunting your money over to a Wall Street wizard leaves you quaking. However, being your own stockbroker is not an option you're ready to exercise either. So what do you do? Maybe it's time to consider an investment club.

Simply put, an investment club is a group of individuals who pool their money and make joint investments. Investment clubs are usually small groups, a maximum of about 20 people, whose only connection may be the fact they belong to the same investment club. Most clubs limit membership to a certain number of people, and often times the existing club members must vote whether to accept the membership of new applicants.

Each investment club member contributes a small, set amount of money each month, usually about \$20 to \$50, which the club uses to invest in stocks the members agree to buy. The members take turns researching stocks and presenting the findings to the club. After much discussion, the group decides which stocks to buy. Most clubs hold monthly meetings and buy one new stock per month.

Though investment clubs buy and sell through a stockbroker or brokerage firm, most offer benefits to members that are not available to the individual investor. Probably the largest benefit of membership in an investment club is the shared research responsibilities. When more people research the same stock, their combined finding can be much more substantial than the work of a solo investor. In addition to the shared knowledge, another major reason so many people look to join investment clubs is to share the risk. Even a small investment club can offer its members lower individual investment amounts and reduced



have as lucrative an investment club experience as the Beardstown Ladies, you certainly have a chance for success.

■ Pick Your Club. There are more than 30,000 active investment clubs in the United States. Interestingly enough, more women belong to investment clubs than men. One theory suggests that women are more patient than men—and it requires a great deal of patience to make a profit in an investment club. The average investment club does not begin to see profits for a year or more after an initial investment.

Before you decide whether to join or start an investment club or to do neither, you should read the Better Business Bureau's article "Investment Clubs—Are They Right for You?" at <http://www.bbb.org/library/investclub.html>. It's a short article but gives a good overview of what an investment club is and what you can expect from club membership.

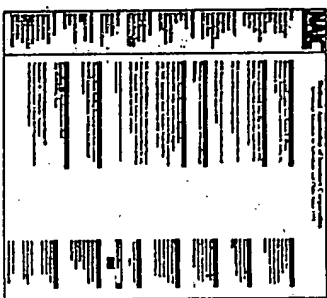
As long as you meet a particular club's membership requirements, you can apply to join. But the turnover rate in investment club memberships is low, and almost all clubs limit their size. So it might be difficult for you to find a club near you that you can join. If you do have trouble finding an existing club to join, you might want to start your own. Before you either join a club or found one, though, you'll need to do some research.

Start by determining your own investment style so you'll know what kind of club would fit you best. Bank America's Personal Investment Profile at http://www.bankamerica.com/books/set_asset.html can help you decide what investment style suits you. Once you have an understanding of your personal investment style, you are ready to start evaluating investment clubs and online investment sites.

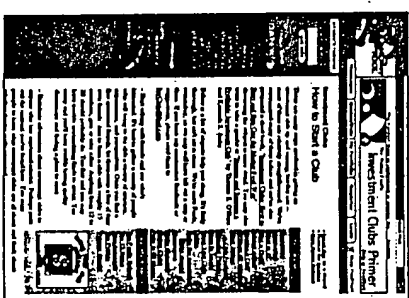
An essential Web site for individual investors or investment clubs is that of the National Association of Investors Corp. (NAIC), <http://www.betterinvesting.org>. The NAIC is a non-profit organization, run mostly by volunteers, that works to educate and support investors.

Though anyone can use the NAIC site, the organization offers three types of memberships: individual, club, and computer group.

Individual membership dues are \$39 per year. An investment club membership is \$40 plus \$14 for each member per year. Finally, computer group membership, which helps members use computer resources and computer aids in their investment endeavors, costs an additional \$30 per year for individual NAIC members or \$15 for NAIC investment club members. Even if you choose not to become a member, the NAIC site contains many invaluable resources for public use. Some of those resources include workshops, newsletters and mailing lists, investment news articles, books, research information, investment software,



The non-profit National Association of Investors Corp.'s Web site wants to educate and support investors.



Can't find a investment club that's right for you? Start your own with tips from experts such as the Motley Fool.

and lists of investment clubs. If you decide to found your own club, the NAIC site even maintains a large section on how to start and run an investment club.

The American Association of Individual Investors site at <http://www.aaii.org> also contains good information about investment clubs and accreditation, as does the World Federation of Investors site at <http://www.wfi.org>.

If you are considering joining or founding an investment club, the Invest-o-rama site at <http://www.investorcentral.com> is another place you'll want to be sure to bookmark. Invest-o-rama's Investment Club Central includes tutorials and self-education materials, a research center, stock quotes, and investor chat rooms.

One of the most popular features of the Invest-o-rama site is the Ask Doug! section, which lets you pose specific questions to online investing authority Doug Gerlach. Gerlach is also one of the creators and the Senior Editor of the NAIC Web Page, and is the author of "The Complete Investor's Guide to Online Investing."

Another good place to go for investing advice is the Investor Guide site at <http://www.investorguide.com>. Here you'll find an Answer Center, an investment glossary to help with unfamiliar terms, message boards, stock analysis pages, real-time stock quotes, and a newsletter. And that's just for starters. The Links Directory section of the Investor Guide site contains enough investing links to keep you busy.

The Armchair Millionaire site at <http://www.armchairmillionaire.com> is a good general information site for investors. Though the information at The Armchair Millionaire is not specific to investment clubs, it is definitely helpful to anyone considering starting or joining a club.

The Motley Fool at <http://www.fool.com> also contains plenty of general investing information, as well as club-specific sections that are hard to beat. For help with starting an investment club, go to <http://www.fool.com/investments/club/StartingAClub.htm>. You'll find information about how to register your club at <http://www.fool.com/investments/club/registerclub.asp>. Or, if you prefer to try to find an existing club to join, visit the How To Join An Investment Club section at <http://www.fool.com/InvestmentClub/joining/JoiningAClub.htm>.

After you've looked at what it takes to found your own club, you may decide you'd rather try to find an existing one. If this is the case, you should also look at the Motley Fool site's list of online clubs at <http://boards.fool.com/investmentclubs.asp>. You can search for a specific investment club or you can click the View All The Investment Club Boards link. Most other sites, including the NAIC, Invest-o-rama, and Investor Guide sites, also include lists of existing investment clubs you can peruse. If you just want to check out a few individual investment clubs to get an idea of what they are like and where they are, try clicking the links to several different sites from any of the investment club lists.

■ Worth A Look. If you'd like to head to an investment club or two, check out some of the club sites we've gathered. Though many of them have creative, light-hearted club names, the members of these clubs are all serious investors.

- **Rampaging Bulls Online Investment Club:** <http://www.concentricnet/~CWI/online.html>
- **Daydream Partnership Investment Club:** <http://www.daydreams.com/~dbb>
- **Investments 101 Online Investment Club:** <http://www.101online.com/invest101>
- **GOLD Investment Club:** <http://members.aol.com/Artside44/gold.htm>
- **High Seas Traders:** <http://www.hst.org>
- **Internet Stock Exchange Investment Club:** <http://wwwstockexchange.com>
- **Kilimanjaro Investment Club:** <http://www.geocities.com/WallStreet/Floor/6003/kilimanjaro.html>
- **Money At Work Investment Club:** <http://investmentclub.simpnet.com>
- **Sly Investment Club:** <http://www.acenet/~dougadams/slyinvestclub.html>
- **Women.com Investment Club:** <http://women.com/clubs/investment.html>
- **Smart Investors Group Investment Club:** <http://www.andspring.com/~barnard/smartinvest.html>
- **Spate Change Investment Club:** <http://www.spatechangeclub.com>
- **Up Your Assets Investment Group:** <http://www.geocities.com/WallStreet/1168/index.htm#up2>
- **Wild Capital Investment Club:** <http://www.computerland.net/~naisoun/index.htm>

Whatever club you join, or if you start your own, just remember nothing happens overnight. No matter what, you'll need to be prepared, positive, and patient. **■**

by Betty Champagne Guthrie

Using E*TRADE

Suppose you had \$1,000 and the untouchable urge to invest in the stock market. What would you do next? Not long ago you only option would have been to call a brokerage firm and let a broker handle your transactions.

Presumably, you first would have made a few inquiries as to whether the brokerage had a good reputation. Also, you would have done your homework about which stocks or options were good investments. At the very least, you would have spent some time poring over *The Wall Street Journal*.

The current trend in online investing, however, has expanded your options. There are now many Web-based companies that enable you to research stocks and mutual funds, get price quotes, track the markets, buy and sell stocks and options, and invest in mutual funds—just by using your PC.

One of the most prominent and successful of these online trading companies is E*TRADE (<http://www.etrade.com>). It offers users an impressive array of services that address virtually every aspect of their financial picture.

■ An Online Portfolio. The layout of E*TRADE's home page resembles a list of folders. You'll open these folders to do such things as access your account and buy and sell stocks. Before we thumb our way through these files, however, we'll show you around the rest of the page.

To the left is a column that contains a number of helpful features, including About E*TRADE, Investor Relations, and the E*TRADE game, a fun way for new investors to learn the ups and downs of the stock market. No matter where you go in the E*TRADE site, just click the Home tab in the upper-left corner of your screen to view these help options.

To the right is Market View, a place where you can get single, real-time stock quotes, a popular E*TRADE feature. (Real-time is any computer-related operation that happens just as it would in the external world. This means you are receiving stock quotes immediately

after they appear on Wall Street.) Just enter the symbol of the listed stock you want to check, and in seconds you'll see the results. These real-time quotes are only available, however, if you log in to the site, which is per-

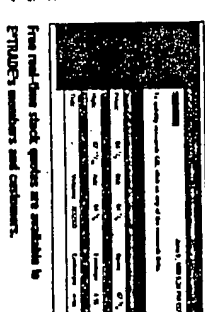
the Dow Jones Industrial Average, S&P 500, and the 30-year bond rate. If the markets have closed, of course, you will see the final numbers for the day.

■ How To Join. There are several ways to use E*TRADE: as a visitor, member, or customer. Any user that is not a member of E*TRADE is a visitor. Visitors can roam around the Web site and gather market information, but they can't access every area of



missable only after you've joined E*TRADE as a member or customer. (There is a difference between the two, which we'll explain in a bit.) If you don't log in, then there is a delay of 20 minutes for the quote you see and what it actually is.

Just below the real-time quotes is Market Watch, which displays current market indicators, including the Nasdaq composite.



On the home page, click the Open An Account button on the left. Next, choose whether you want to join as a member or a customer. (To sign up as a customer, you must open an investment account. See below for more information on accounts.) No matter which one you choose, you will have to furnish personal information such as your name, address, phone number, and E-mail address. Next, you will need to create an account name and password, then choose a secret code, for instance your mother's maiden name, which you can use in the event that you forget your password.

In the next section, you will need to answer questions that will help E*TRADE create a profile about you. Choose these items carefully; E*TRADE will use this information later when you're using other services.

For example, you will need to provide information about the type of investments you want to learn about, anything from creating and trading a stock portfolio to retirement planning. To modify this information later, just click My Profile on the home page.

Though not an exhaustive list, here are some of the benefits you receive as an E*TRADE member:

- real-time stock quotes
- a fully customizable portfolio manager
- personalized market views
- live market commentary
- access to discussion groups

The most important thing you can't do as a non-customer, however, is buy and sell stocks and options—the very heart of E*TRADE. To do this and a host of other things, you must sign up as a customer.

Joining as a customer requires a bit of cash—\$1,000, in fact, to open a cash account in which you can trade stocks, mutual funds, and options at a commission cost of \$14.95 per trade (some transactions incur a higher fee). Opening a margin account, which gives you the same privileges as a cash account and allows you to borrow against your assets and securities, requires a minimum initial deposit of \$2,000. A third type of account you can open is a margin account with options trading. That, too, requires an initial deposit of \$2,000.

(NOTE: We joined E*TRADE as a member, and a couple of weeks later we received an initiation fee. To open a cash account for only \$500 and get a \$75 sign-up bonus if we opened an account by a certain date. So it may be worth the wait if you join as a member, familiarize yourself with how the site works, and then open an account. Even if E*TRADE doesn't offer you a reduced minimum deposit, you will probably receive some incentive, such as free frequent flyer miles or free contact time with America Online, for opening an account.)

Regardless of which type of account you open, you can fund it with cash, securities, or a combination thereof. You can make initial deposits via check, securities certificate, or transfer from a bank, broker, or mutual fund. Be aware that the transfer of funds from your

present investment firm can take several weeks to complete.

In addition to the right to trade stocks, E*TRADE customers receive all the benefits members get plus:

- access to more than 4,300 mutual funds
- free asset protection of up to \$50 million on your accounts
- instant stock alerts
- free unlimited check writing on the cash balances of your non-retirement accounts
- no-fee IRAs

E*TRADE also gives its new customers a free, three-month subscription to the Professional Edge, a real-time stock research and recommendation service from BancBoston Robertson Stephens. Very active traders—those who make at least 30 trades through E*TRADE per fiscal quarter—get an added bonus: they can take advantage of Power E*TRADE, which offers ultra-fast transactions, analyst recommendations prior to the market's daily opening, and a priority customer service hotline, among other things.

■ The Heart of E*TRADE. Now let's open those folders on the home page, where we'll highlight some of E*TRADE's services. Keep in mind some of these features are available only to customers (those with investment accounts).

Portfolios & Markets. The Portfolio Manager lets you create a portfolio for all the investments you want to track, whether or not they are with E*TRADE. Once created, you can "detach" the portfolio summary and download it to your computer's Desktop, allowing you to view other Web sites while keeping an eye on your investments.

Use My E*TRADE Market Watch to look at the markets in one of five ways: the trader view, the snapshot view, the snapshot view, the tech spotlight, and the portfolio view, which you create specifically for your stocks.

You can't keep your eye on all the stocks and funds at once, but E*TRADE can help you with Smart Alerts. This service delivers important

information to your Alerts Inbox, and any other E-mail addresses you indicate. It will help you keep on top of changes in the price of a stock, for example, and other breaking market news.

Stocks & Options. Certainly, one way to succeed in the markets is to get in on the ground floor when companies first go public offering (IPO), and E*TRADE gives its customers a way to participate in them. In this folder, you can apply to participate in IPOs and secondary offerings from investment banks. In the few years it has offered IPOs, E*TRADE has given its customers a shot at buying initial stock in such companies as eBay and eCom.

How will you know which companies are good investments? E*TRADE brings you breaking stories on companies from such sources as Reuters, PR Newswire, and Business Wire. If that's not enough, delve into a BASELINE company profile, three pages of in-depth data, including the company's earnings and first call consensus estimates. For analyst ratings of stocks—ratings can be anything from a



Market Watch gives current consensus of leading market indicators, including the NASDAQ composite and Dow Jones Industrial Average.

Don't Miss

E*TRADE is so convenient to use that customers don't even have to log on to its Web site to use some of its most important services. Instead, they can take advantage of TELEMASTER, an automated phone system.

Here's how it works: You can call TELEMASTER 24 hours a day, but there is a 27-cent charge for each minute of use. With each trade you make through E*TRADE, however, E*TRADE credits your account with 12 free minutes of TELEMASTER use. ☐

Investing

"strong buy" to a "strong sell"—click the Consensus Recommendations button.

Mutual Funds. You'd have to be a full-time financial analyst to stay on top of the thousands of mutual funds E*TRADE gives its customers access to. So it's a good idea to use the Power Search tool to find and track the funds that meet your investment criteria. You can research these funds to discover their total returns and portfolio holdings, and then order an online prospectus from this folder.

If you're investing in mutual funds as part of your retirement savings, head on over to the Retirement Center and use one of E*TRADE's calculators to help you pick the best IRA and to figure out whether you should convert your traditional IRA to a new Roth IRA.

Trading. When you are ready to pull the trigger, go to the Trading folder to buy and sell your stocks. You can make all types of orders—market, limit, stop, and stop limit—for all the securities listed on U.S. stock exchanges. And if E*TRADE approves you for options trading, you can place similar orders for those, plus buy, sell, and exchange mutual funds.

When your order is complete, E*TRADE will send a confirmation to your Alerts Inbox and to any other E-mail address you've requested.

My Accounts. For an official record of your E*TRADE account activity and status, look in this folder. You can check your cash and margin balances as well as order an electronic cash transfer.

Community. As of this writing, more than 150,000 people had joined "community.etrade.com." Here, you can participate in live chat sessions, answer the daily poll, discuss trading habits with like-minded traders, or join an investment club.

Marketplace. Like any sophisticated Web site, E*TRADE offers secondary products and services that support its primary offerings. The new-and-improved Marketplace has a Financial Services area that can give you tax help and assist you with finding low mortgage and insurance rates (see the "Real In Low Rates" sidebar). Marketplace also offers a Shopping Center, which links with other online retailers, such as musicdiv.com, so you can shop for music, travel packages, electronics, and other merchandise.

■ **How Safe Is It?** Obviously, when you invest in stocks you're taking a risk with your money. When you sign up with

E*TRADE, however, you don't have to worry about your account being vulnerable to prying eyes. E*TRADE employs Netscape's Secure Commerce Server technology to secure all its customers' online transactions. If an official seal of approval would give you more assurance, then you'll be glad to

know E*TRADE has received the WebTrust seal, which means it has passed an independent CPA audit of its E-commerce business systems. [E]

by Rachel Dornish

Real In Low Rates

If you're looking for a low mortgage rate, you need more information. The Financial Services section of E*TRADE's Mortgage Center gives you a handy tool to search for low mortgage rates. You can search by location, loan type, and term. The Mortgage Center also offers a handy tool to compare mortgage rates. You can compare the rates of different lenders and see which one offers the lowest rate. The Mortgage Center also offers a handy tool to compare mortgage rates. You can compare the rates of different lenders and see which one offers the lowest rate.

So Your Future Fit Your Home

Loan Type	Rate	Term	Points	APR	Monthly Payment	Total Interest	Total Cost
30 Year Fixed	6.50%	30	0	6.50%	\$1,043.21	\$255,528	\$355,528
15 Year Fixed	5.50%	15	0	5.50%	\$1,250.00	\$165,000	\$265,000
5/1 ARM	5.00%	5	0	5.00%	\$1,043.21	\$165,000	\$265,000
7/1 ARM	5.00%	7	0	5.00%	\$1,043.21	\$165,000	\$265,000
10/1 ARM	5.00%	10	0	5.00%	\$1,043.21	\$165,000	\$265,000
15/5 ARM	5.00%	15	0	5.00%	\$1,043.21	\$165,000	\$265,000
20/5 ARM	5.00%	20	0	5.00%	\$1,043.21	\$165,000	\$265,000
25/5 ARM	5.00%	25	0	5.00%	\$1,043.21	\$165,000	\$265,000
30/5 ARM	5.00%	30	0	5.00%	\$1,043.21	\$165,000	\$265,000

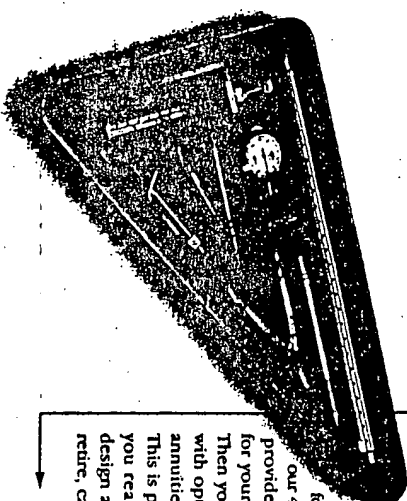
By the way, if you're looking for a low mortgage rate, you need more information. The Financial Services section of E*TRADE's Mortgage Center gives you a handy tool to search for low mortgage rates. You can search by location, loan type, and term. The Mortgage Center also offers a handy tool to compare mortgage rates. You can compare the rates of different lenders and see which one offers the lowest rate. The Mortgage Center also offers a handy tool to compare mortgage rates. You can compare the rates of different lenders and see which one offers the lowest rate.

You can get instant quotes and learn how to get a better rate.

about the type of loan (a 30-year fixed loan, a 15-year fixed loan, a 5/1 ARM, a 7/1 ARM, a 10/1 ARM, a 15/5 ARM, a 20/5 ARM, a 25/5 ARM, or a 30/5 ARM), the amount of the loan, the interest rate, the type of property, the type of insurance, the type of lender, and the type of closing costs. The Mortgage Center also offers a handy tool to compare mortgage rates. You can compare the rates of different lenders and see which one offers the lowest rate. The Mortgage Center also offers a handy tool to compare mortgage rates. You can compare the rates of different lenders and see which one offers the lowest rate.

Are your financial solutions designed to your specifications?

Let us help you build a plan for when you retire.



plan ahead.

To help ensure that you'll have enough to retire, you need a comprehensive financial portfolio. As a 401(k) plan leader with over a century of financial expertise, The Principal can help. We offer a diverse array of financial solutions that can prepare you for the unexpected. First, our 401(k) and pension plans provide a strong foundation for your retirement program. Then you can further diversify with options like insurance, annuities, and mutual funds. This is planning that can help you reach your goals. To design a plan for when you retire, call 1-800-966-3343.

Principal Financial Group

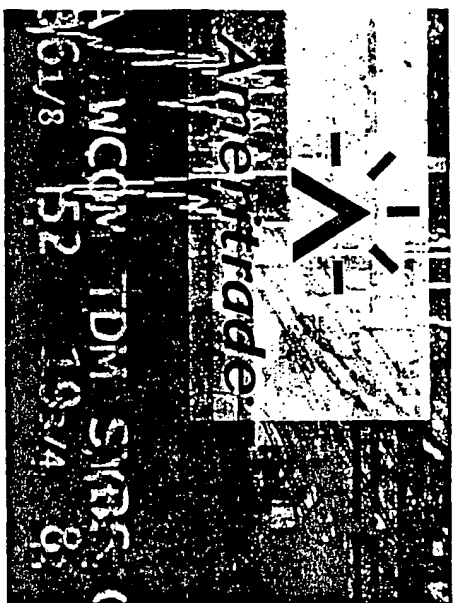
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Using Ameritrade



As one of the largest and least expensive of the online discount brokerage services, Ameritrade has forged a recognizable name for itself in the online investing

milieu. The Omaha, Neb.-based subsidiary of the Ameritrade Holding Company offers online equity trades for the low commission price of \$8 per trade. That has kept its customers happy. And the company, which reported more than \$11.4 billion in assets and invested in more than 306,000 accounts at the end of 1996, recently announced a three-for-one stock split. That has made its stockholders happy. Despite the talk of an impending recession, it appears that business couldn't be better for Ameritrade.

But low commission prices and bullish stocks aren't the only reasons Ameritrade is flying high right now. The company's online trading site, which has been around since 1997, makes it downright convenient for clients to buy, sell, and research stocks, bonds, and mutual funds. Additionally, Ameritrade offers automated telephone equity trades for a \$12 commission fee and broker-assisted telephone trades for an \$18 commission fee. Either way, the trades are usually registered within minutes by Ameritrade's

staff, and investors can check their accounts online or by phone.

The Ameritrade site, which is located at <http://www.ameritrade.com>, is designed to give investors all the tools they need to make intelligent and profitable investing decisions. Toward that end, the Ameritrade site allows registered users to review the status of their orders, check the current position of their transaction histories, and review their accounts. In addition, Ameritrade users can track as many as 35 stocks, mutual funds, and bonds. And they can change their account preferences, including their notification preferences and trade confirmation preferences.

Ameritrade also provides several research options, all of which are available in the Market Research area of the site. The Ameritrade Market Guide is free to all registered Ameritrade users and offers general investing information, such as StockQuest, a downloadable stock-screening program that helps investors pick investments that meet their investing criteria. Plus, Quick Facts Reports are also available to display financial overviews of more than 10,000 publicly traded companies. Hyperlinks to several other investment sites,

including Morningstar, Net, Big Charts, and Edgar Online, are another added bonus.

Additionally, Ameritrade provides registered users with free trial periods and discounted subscriptions to several of the best premium investment information services, including S&P's Personal Wealth, Briefing.com, and eSignal. Unfortunately, none of these features are available to you if you haven't established an account with Ameritrade.

■ Set Up An Account. You can set up an Ameritrade account either by completing an online application or by requesting a hard-copy application that you can mail back to Ameritrade. The online application process is faster and more convenient, but either method is acceptable and both are free. Anyone, including investors who reside outside the United States, may set up an Ameritrade account.

Ameritrade will not allow you to complete a trade until you have submitted an application and deposited a minimum of \$2,000 in your Ameritrade account. The funds for this account might come from a check or money order, an electronic fund transfer from a checking, savings, or investment account or by wiring the funds directly to Ameritrade. Another option is to sign over securities certificates and mail them to Ameritrade. As soon as Ameritrade receives and processes your application with the initial deposit, you can begin buying and selling. The funds are not available for withdrawal, however, until a mandatory 10-day waiting period has expired. After that, you may withdraw all unused funds from your account.

To initiate the online application process, first click the Open An Account button on the Ameritrade home page. In the resulting New Accounts Center page, click the Apply Online button. Next, provide some general information about the primary account holder, including name, date of birth, mother's maiden name, phone numbers, and E-mail address. The primary account holder is the individual who assumes primary responsibility for the account. Click the Next button when you're ready to proceed. (NOTE: If you would like to reset your responses at any time during the application process, click the Back button to return to the previous page.)

The next page of the application asks for your street address. In compliance with a National Association of Security Dealers (NASD) mandate, Ameritrade requires you to provide a street address on this part of the form. If you

prefer that correspondence be sent to another address or a post office box, you may click the I Would Like Mail Sent To An Alternate Address checkbox and complete an additional form. Click Next when you're ready to proceed.

Before you can complete the process of setting up your Ameritrade account, you must print your application and mail it with your initial deposit to Ameritrade. If you can't print from your computer or Web browser, you should click the Cancel button that appears on-screen and request a hard copy of the application. If you can print your application from your browser, however, then you should click the Yes option that appears on-screen at this time and click the Next button to proceed.

On the following page, indicate the account type (individual, joint, or IRA) and registration type (cash, cash and margin cash, margin, and option; or cash and option for IRA accounts only). If you would like someone other than the primary account holder to have access to the account, you should click the corresponding option at the bottom of this page. Then, you'll need to provide the name and address of the secondary account holder later in the application process. Click the Next button to continue.

Indicate your U.S. citizenship status or your nationality on the next page. Click the Next button to proceed. For tax purposes, the following page asks for your nine-digit Social Security or Tax ID number. If you don't provide this information, you must complete an IRS W-9 form and submit this form with your application. Click the Next button to proceed.

The next page asks for information about your occupation and work address. If you are retired or self-employed, you should check the corresponding options at the bottom of the page. Click the Next button to proceed.

This page has various fields where you must provide relevant information, if applicable. For example, indicate whether you or a member of your household is a director or policy-making officer of a publicly traded company; if either of you own more than a 10% interest in a publicly traded company; or if either of you have a similar affiliation with a securities firm, bank, trust, or insurance company. If none of these situations applies to you, you can skip this section and click the Next button to proceed.

Rewind the Terms And Conditions of your application before continuing. Basically, the Terms And Conditions imply that you are responsible for your account and that Ameritrade is not responsible for any losses that result from your investment decisions. You

must accept these Terms And Conditions to proceed with the application; otherwise, reposition cancel your application.

To initiate a trade, deposit \$2,000 in U.S. currency in your Ameritrade account. Indicate which payment method you prefer on the next page and click the Next button to proceed.

Finally, at the end of the application, print the application and any forms (including the Account Transfer Form for fund transfers and the IRS W-9 Form for individuals who are not subject to U.S. tax withholdings) that must accompany the application when you mail it to Ameritrade. Note that your application will be deleted automatically from the Ameritrade server five minutes after you reach this page. If you must access your application again, simply reload the page by clicking your browser's Reload or Refresh button.

■ Make A Trade. After Ameritrade has received your application and activated your account, you can start investing. The first thing to do is log in at the Ameritrade site. From the Ameritrade home page, click the Invest Now button and enter your Account Number and personal identification number (PIN), which you should have received from Ameritrade after submitting your application. The Account Summary page will appear in your browser window. This page, which is essentially the

home page for your Ameritrade activity, highlights basic account information, general market indices, and your account balance.

The goal of investing with Ameritrade is to decrease your account balance so you can increase your bottom line. But to do that, you need to buy something. To execute an online order, open the appropriate order form. Ameritrade offers three types of order forms: Equity, for buying individual securities; Option, for negotiating option contracts; and Fund, for buying mutual funds. We'll use the Equity Order form for our example. Click the Equity Order hyperlink at the bottom of the page to access the Equity Order form.

The Equity Order form lets you buy and sell shares of stock and features Beginner, Intermediate, and Advanced ordering options. We'll use the Beginner form since this is our first trade. First, check your account number in the top right corner to ensure that the purchases will be credited to you. Then, locate the Action heading and click Buy. In the Quantity field, indicate the number of shares you want to purchase. In the Symbol field, enter the symbol of the stock you want to purchase. If you aren't sure what the stock symbol is, click the magnifying glass icon to access the Ameritrade Symbol Lookup tool.

(NOTE: Because the commission fees are deducted from your account, you cannot invest all the funds in

Don't Miss

When reviewing the Ameritrade Web site, we found several items that deserve special mention. Make sure you don't miss the following items:

- **Market Guide.** The Market Guide provides detailed "Quick Facts" reports about more than 10,000 publicly traded companies. Each report contains general earnings information, price charts, performance records, fiscal projections, income statements, and balance sheets.
- **Free trial offers.** Ameritrade customers must accept these Terms And Conditions to proceed with the application; otherwise, reposition cancel your application.
- **To initiate a trade,** deposit \$2,000 in U.S. currency in your Ameritrade account. Indicate which payment method you prefer on the next page and click the Next button to proceed.
- **Finally, at the end of the application,** print the application and any forms (including the Account Transfer Form for fund transfers and the IRS W-9 Form for individuals who are not subject to U.S. tax withholdings) that must accompany the application when you mail it to Ameritrade. Note that your application will be deleted automatically from the Ameritrade server five minutes after you reach this page. If you must access your application again, simply reload the page by clicking your browser's Reload or Refresh button.
- **Make A Trade.** After Ameritrade has received your application and activated your account, you can start investing. The first thing to do is log in at the Ameritrade site. From the Ameritrade home page, click the Invest Now button and enter your Account Number and personal identification number (PIN), which you should have received from Ameritrade after submitting your application. The Account Summary page will appear in your browser window. This page, which is essentially the home page for your Ameritrade activity, highlights basic account information, general market indices, and your account balance.
- **The goal of investing with Ameritrade is to decrease your account balance so you can increase your bottom line.** But to do that, you need to buy something. To execute an online order, open the appropriate order form. Ameritrade offers three types of order forms: Equity, for buying individual securities; Option, for negotiating option contracts; and Fund, for buying mutual funds. We'll use the Equity Order form for our example. Click the Equity Order hyperlink at the bottom of the page to access the Equity Order form.
- **The Equity Order form lets you buy and sell shares of stock and features Beginner, Intermediate, and Advanced ordering options.** We'll use the Beginner form since this is our first trade. First, check your account number in the top right corner to ensure that the purchases will be credited to you. Then, locate the Action heading and click Buy. In the Quantity field, indicate the number of shares you want to purchase. In the Symbol field, enter the symbol of the stock you want to purchase. If you aren't sure what the stock symbol is, click the magnifying glass icon to access the Ameritrade Symbol Lookup tool.
- **(NOTE: Because the commission fees are deducted from your account, you cannot invest all the funds in**

your account. For example, if you opened your account with a \$2,000 balance, you may need only \$1,992. Ameritrade will automatically deduct the remaining \$8 from your account as commission.

Finally, click the **Preview Order** button to review the selections you've made. The resulting **Pre-submitted Order** page lets you double-check the details of your purchase, check the current price of the selected stock, and review any existing orders you have for the selected stock. Click the **Place Order** button when you're ready to proceed. Note that the order will cancel itself automatically if you don't click the **Place Order** button within 90 seconds.

You will receive a confirmation message by either E-mail or U.S. postal mail shortly after placing your order. Also, Ameritrade will automatically withdraw the \$8 commission charge from your account with them. If you want to check the status of your order, click the **Order Status** hyperlink at the bottom of the page.

■ **Sell Your Assets.** No one can guarantee you'll come out on the winning end when you decide to liquidate your investments, but Ameritrade has made it easy to do so whenever you're ready. To sell your investments, select the appropriate order form (either **Equity**, **Option**, or **Fund**). We'll select the **Equity Order** hyperlink so you can cash in our investment. When the **Equity Order** form appears on-screen, check the account number to make sure you're selling shares that actually belong to you. Click the **Beginner** tab, then click the **Sell** option located next to the **Action** heading.

In the **Symbol** field, enter the symbol for the stock you want to sell. In the **Quantity** field, indicate the number of shares you want to sell. Click the **Preview Order** button to access the **Pre-submitted Order** page. Review the resulting **Order** Readback and the current price of the stock you're selling. When you're ready to sell, click the **Place Order** button. Keep in mind that the order will cancel itself if you don't click the **Place Order** button within 90 seconds.

Shortly after the sale is executed, you will receive a message confirming the sale. Ameritrade automatically withdraws the \$8 commission fee from the proceeds of your sale. To check the status of the sale at any time, click the **Order Status** hyperlink at the bottom of the page. When the sale is complete, the funds from the sale will appear in your account.

■ **Other Issues.** Buying and selling online is ultimately about more than what we've just discussed. It also involves security,

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Ameritrade Commission Schedule

Everyone knows about Ameritrade's low \$8 trading commission for all online equity trades. What you don't know is that Ameritrade charges different commission fees for mutual funds, options, and bond trading activity. This is how Ameritrade's commission schedule works:

Equities	\$8 for online trades \$12 for Touchscreen trades \$18 for telephone trades	\$5 additional charge for link, setup, and drop bid orders
Options	\$25, plus \$1.25 per contract	10% discount for online trades; option contracts and assignments carry an \$18 commission; \$20 minimum commission
Mutual Funds	\$18	no commission fee assessed for buying bond mutual funds; \$40 minimum commission
Bonds (1 to 50)	\$5 per bond	
Bonds (more than 50)	\$2.50 per bond	\$40 minimum commission

customer service, and what the broker is doing with your money, while it sits in an account.

Ameritrade claims it has these areas covered. Security: Ameritrade employs the latest Internet security protocols to protect data during online transactions. It uses the 128-bit Secure Sockets Layer (SSL) encryption (the process of encoding data) technology, which is the most popular form of data encryption on the Web. Once the data reaches the Ameritrade computer, it's protected by a firewall that prevents unauthorized individuals from obtaining access. Additionally, Ameritrade offers several other security measures to protect you while you're visiting the Ameritrade Web site. First,

Ameritrade requires you to log in with an account number and a PIN every time you go online. The site also employs a "Three Strikes And You're Out" policy that prevents all access to an account if someone tries to enter the incorrect PIN three times in a row. The account remains off-limits until the individual to whom the account is registered has contacted Ameritrade and resolved the issue.

The site also contains a log-out button that allows you to terminate your session securely. And if you forget to use the log-out button, Ameritrade automatically terminates your session after 55 minutes of account inactivity.

Customer service: Ameritrade customers who call the Ameritrade customer service line at (800) 454-9272 can expect general assistance with

their account set-up, as well as with any technical problems they encounter while using the Ameritrade site. They'll have to look elsewhere, however, for financial advice and investing tips. For that type of information, Ameritrade customers must hire a financial advisor or take out a subscription to *The Wall Street Journal*.

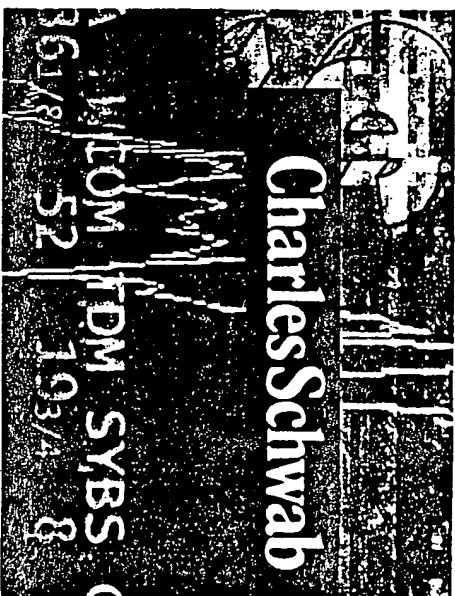
Interest: According to an Ameritrade representative, Ameritrade pays a nominal amount of interest on all accounts containing more than \$1,000. Customers who have account balances of more than \$5,000 also can request that their funds be held temporarily in an interest-bearing money market account.

■ **Take The Money & Run.** At some point, you'll want to cash in your chips and spend the money you've made. To withdraw all or a portion of the funds in your account, call Ameritrade customer service at (800) 454-9272. If they receive the request before 1 p.m. (Central Time), they'll mail a check to you that day. Otherwise, they'll mail a check the following day. You also can have checks wired or directly deposited into another account, but this requires a written request.

As long as Ameritrade is offering \$8 trades and the market continues to push forward, we see few reasons why Ameritrade customers would want to close their accounts. B

by Jeff Osoff

Using Schwab.com



When Charles R. Schwab talks, people take heed. Not too many folks turn a deaf ear on Charles Schwab, one of the most trusted names in financial investing. Large online transactions still make many people leery. This is especially true with online trading where hundreds or thousands of dollars may be at stake. If something goes wrong, but partnering appropriate cautionary measures (such as having a current and more secure Web browser) with an investment house that is trustworthy, solid, and reputable can make online trading safer and more comfortable. Whether you're looking to save for retirement or your children's education, or you're simply looking for some investment advice, bookmark the Schwab home page at <http://www.schwab.com>.

An excellent way to familiarize yourself with the Schwab site is to follow the **See What We Offer** link on the main page. Here you'll find links to all the information an investor interested in Schwab needs. From the frequently asked questions (FAQs), to demos of the Customer Center, to a variety of investment planners, this page is a great overview of the Schwab site. We'll take you through these

sections individually, but for more exploration on your own, this page is the one to check out.

■ **Planning Your Investments.** There are several different planners that ask your questions and then walk you through your individual investment needs. (NOTE: You can find these planners under the **Planning** heading on the left side of the main page.)

Retirement planning: Don't imagine that you'll be able to depend on Social Security. Follow the link to Retirement Savings Planner and then enter your current age, the age at which you'd like to retire, and your annual income. Next, you'll need to enter your expected retirement expenses. You can enter a monthly total, break it down to specifics, or use 70% of your current expenses. Finally,

you'll need to enter your current investments, broken down into High-Growth, Conservative, and Growth & Income. The site will calculate your Social Security, so you can leave that field blank and move on to enter other retirement income. Now click **Calculate Savings Needed**, and the site generates a retirement plan. The results will give you the amount you'll need to retire at the date specified and inform

you how you're doing on your investments. If your Future Savings Shortfall is a negative number, you're already well on the way to meeting your retirement needs. Otherwise, it will suggest annual and monthly amounts you need to set aside to reach your goal.

General planning: Suppose you're not ready to think about retirement yet. You can also take care of some general financial planning with Schwab by following the **Set A Savings Goal** link on the General Planning page. This simple calculation device helps you figure out how to reach a monetary goal.

Enter the amount you'd like to save and the time you have until the funds are needed. Then enter the stock, bond, and cash values of what you currently have. You can adjust the rates of investment return, inflation, and taxes or leave the average rates that appear and then click **Calculate Savings Needed** to find out what you'll have to set aside each month to nest this egg.

College planning: If you're starting to set aside money for your child's education, the Schwab College Planner is an excellent benchmark. First, enter your child's name, age, and whether they'll be going to a public or private college. The site will calculate the cost of college assuming your child starts at age 18, attends for four years, and gets no financial aid. Of course, you can modify any of these assumptions or enter a specific amount you want to save.

After you've established a goal, you'll need to tell the planner how much you're willing to invest initially and the expected rate of return. This will calculate how much you'll need to invest each month to reach your goal.

Estate planning: If you're an executor, you can use Schwab's Estate Planner to guide you through estate distribution. If you're looking for an attorney to help plan your estate, you can search nationwide for one of Schwab's pre-screened recommendations.

Tax planning: The Tax planner section uses information provided by Deloitte & Touche LLP. You can learn about enhancements to IRAs, family tax benefits, and various tax reforms. You can also check out tax strategies for filing your returns.

Life insurance planning: With the Schwab life insurance planner (found by following the link under Products and Services), you can obtain a Quick Quote to estimate your term insurance premiums with Schwab. It also

lets you calculate how much life insurance you'll need.

Follow the Quick Quote link and then select a state to begin the estimate process. You'll need to answer an array of interesting questions, starting with how much insurance you're looking at, how long you'll want it, your birth date, height, weight, medical history, tobacco usage habits, and whether or not you're planning on flying a private airplane. After you submit the information, it gives you an estimated annual premium and the option to apply for Schwab life insurance.

With the Insurance Needs Calculator (follow the Calculate link), simply enter your family's immediate financial needs, your estimated future needs, and your current assets. This will lead you to obtain a quick quote of how much coverage you should have.

■ Expanding Your Investment Knowledge

It's one thing to know how much money you'll need to set aside to reach investment goals, but another to figure out where to put it. Since a savings account is only a slight improvement on mattress stuffing your cash, the Schwab site is an excellent place to expand your knowledge on investments.

Stock quotes and more. You can use Schwab to see how well certain stocks are performing and chart their performance over time. You can get individual quotes or multiple quotes simultaneously. These options are

all available under the Quotes & News heading on the main page. Keep in mind that all the quotes you get are delayed by 20 minutes, but if you have an account with Schwab, you can get real-time quotes in the Customer Service Center.

You can also check out the Market Buzz to get a feel for what's going on in different companies and industries, which will help you better decide where to invest. The

Buzz section includes company news stories, broad and specific market statistics, and market reports. The reports include stocks with the largest percentage increases and decreases in volume and price, as well as stocks setting 52-week highs and lows.

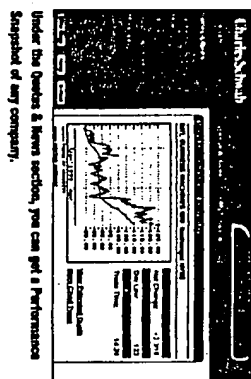
Industry closeup. Under the Research heading, you can get a sample of a Schwab industry close-up. These include options by various individuals in research groups that target specific industries and whether they feel different companies' stocks are worth targeting for investment. Non-members can only view the currently featured industry.

Mutual Fund OneSource. In recent years, mutual funds have become the investment method of choice for investors at all levels of experience. The Schwab Mutual Fund OneSource is an excellent resource for determining the types of funds to target. It accomplishes this by showing which funds have the highest risk, the highest historical performance, and the best tax options.

Click the link to the Schwab Select List and then choose the options from the various dropdown menus. You can choose a broad fund category, such as Large Company U.S. Stock,

International, or Tax-Free Bond and then a time period ranging from three to 10 years. This will lead you to the best-performing mutual funds.

You can also search through Screen Funds at Schwab and be more specific in your criteria, checking for expense ratios and fund assets and comparing the funds across three different categories.



Under the Quotes & News section, you can get a Performance Snapshot of any company.

Bonds & Treasuries. If you're looking for more stable investments, stop by the Bonds & Treasuries section. You can use the Market Yield Calculator to find out how to make tax savings investments. By clicking the Treasuries link, you will get more information about what Treasuries are, why they're a protected investment, and how to invest in them.

This section also has information about other fixed income investments, such as Preferred Investments Equity UITs, and Bond UITs. These easy and lower-level investments are a good place for novice investors to begin.

Demos. The Account Management demo will show you how to read the overview of your investments, check your account history, and transfer money between accounts. The News & Research demo tells you how to obtain information about stocks and industries and how to read the market. The Quotes & Charts demo provides information on how to get single and multiple stock quotes, set up watch lists for your favorite stocks, and chart their performance. The Trading demo walks you through the process of making an online transaction and tells you how to make sure that the transaction has gone through. Finally, the Portfolio Management demo shows you how Schwab can help you balance all of your investments.

■ The Benefits Of Membership

While you can explore much of the Schwab site without opening an account, you'll gain access to a lot more tools and services once you're a member. Depending on how much you're investing, there may not be any periodic fees that you'll have to pay except during transactions. If you keep your investments in five figures (\$10,000 or higher), there's no annual fee. Otherwise, you will pay a \$29 annual fee for most services (subject to certain waivers). Customers must invest at least \$2,500

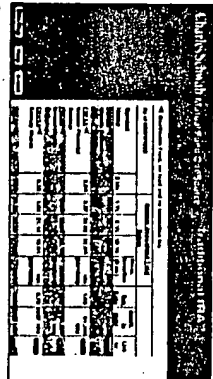
to open an account, and Schwab charges \$29.95 per trade up to 1,000 shares and 3 cents a share thereafter. You can obtain account information by clicking the Open An Account link on the main page.

Research On Request. Members are eligible for Schwab's Research On Request service, which is under the Research heading. This professional analyst research on over 1,000 companies and 55 industries provides daily stock updates and recommendations.

Automatic Investing. After you've made an initial investment in a mutual fund, you can set up future automatic investments in that fund (under Account Benefits on the Open An Account page). You determine the amount of each investment, how often these investments are made (up to twice a month), and the Schwab site does the rest.

Schwab Access. If you open a Schwab One account, you get a Visa check-card and check-writing capabilities from your account (as well as new online banking features). This means you'll be able to handle the majority of your typical cash transactions through the Schwab site.

Schwab funds. As a member, you will be able to invest in the Schwab funds (under Products and Services), mutual funds in which Schwab selects the investments. There are a variety of domestic, foreign, Share, and Federal Schwab funds that members can choose to best suit their financial investment needs.



Screen Mutual Funds to find the highest performers in the categories you're looking to invest in.

Schwab Signature Services. If you're a high-volume trader or are planning to invest a sizable amount, check out the Schwab Signature Services. Designed for investors who trade at least 12 times a year or who have at least \$100,000 in investable assets, the Signature Services provide additional benefits over a standard Schwab account.

You get priority phone access, complimentary research and information for high-level investors, and access to exclusive online resources, including a variety of investment tools. For clients even higher up the investment food chain, there's the Schwab Signature Gold for investors who conduct at least 24 trades per year or have \$500,000 in assets to invest and the Schwab Signature Platinum for 48 trades per year or \$1,000,000 in assets.

■ International Investors

Schwab doesn't just cater to domestic U.S. investors. Its site contains an International Access section, specifically for individuals and corporations outside the United States. International investors using the Schwab One International Account get many of the same benefits that U.S. investors have through the Schwab site. This includes 24-hour Web trading, free delayed quotes and charts, market research, and the trusted investment expertise from Schwab analysts.

International users speaking a language other than English can also check out Schwab's Multilingual Services. Offices with applications and investment information in Mandarin, Cantonese, French, and Spanish are available.

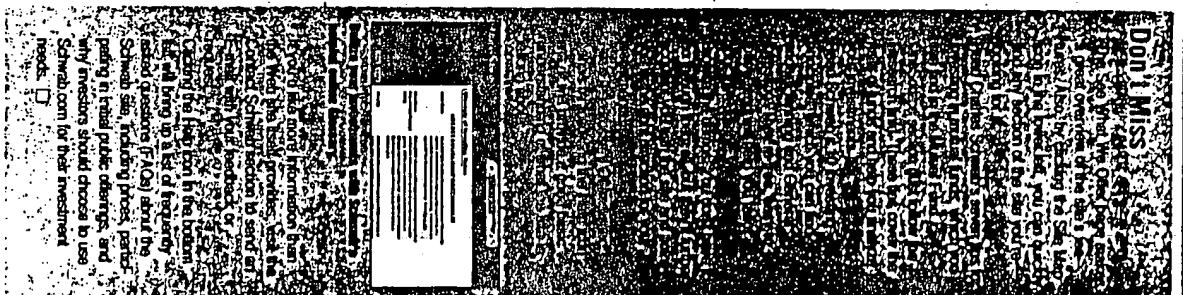
■ Schwab's Experience

Schwab & Co. Inc. is one of the nation's largest financial services firms. Charles Schwab was one of the founders of the company in 1971 and has been chairman since 1978. Incorporated in 1986, Schwab currently provides financial services to more than 61 million accounts via its Web site, telephone, and 300 local branches.

The Schwab site is one of the leading online investment Web sites. Schwab.com currently holds more than 2.5 million active online accounts with more than \$219 billion in assets. More than \$10 billion in transactions are completed via the Schwab Web site weekly, making it one of the largest E-commerce businesses in the world.

Whether you're starting to think about saving or are an investment expert, everyone has something beneficial to learn from Schwab.com. [E]

by Jeff Strawn



Using Datek Online



In our self-sufficient society, we can find self-reliance books to cure our ailments and self-help kits to build anything from bookshelves to log cabins. Many people strongly value self-reliance and ability to control their own destinies. We like manual transmissions in our cars, and we want to be able to choose our own doctors and dentists. We also want to control our finances, and with self-directed retirement funds and online brokers, we have more options than ever before for personal financial control.

Rather than putting our nest eggs in non-competitive, low-interest-bearing savings accounts or forking over high commissions to traditional brokers, we can now manage our own money with an online broker. Ditek Online Brokerage Services Corp. is one of many online brokers providing services so we can safely and confidently open an online account to start buying and selling stocks and mutual funds.

You won't find any hand-holding or molly-coddling at Datek. This site is not for the novice investor looking for information on how to invest. Do your homework about the types of stocks and mutual funds in which

little to distinguish the Datax Market Center from the symbol lookup features most Web browsers offer. Enter either stock symbols or company names to get the latest news, quotes, and charts. We were a little disappointed with the paucity of information found here.

There are charts of the activities of NASDAQ and Dow Jones. The news sections are divided into categories, such as Market Info, which provides current market data, including delayed quotes for the Dow Jones Industrial, Transportation, and Utilities. The major market indexes (NYSE, NASDAQ, AMEX) are also available. Another news section is Mergers and Acquisitions, which has a list of links to news stories about the current day's mergers and acquisitions.

About Data: This page provides a brief rundown of the services and information Data provides. For instance, Data began offering online trading in 1996 and has since burgeoned into the fourth largest online brokerage service. Data estimates that it handles more than 250,000 active accounts, and users perform an average of 70,000 trades per day.

you're interested before logging onto DataL. Self-motivated investors will find an application for an account and current market news, but that's about it. DataL is for the serious investors who know what they want and who want to accomplish their trades quickly and without fanfare.

■ **Visitors Center Features.** When you go to the Datax home page (<http://www.datax.com>), you'll see the Visitors Center where you can look around at some of the features without first having to set up an account. If you already know everything you want to about Datax, you can apply to get your account activated. If you're already an investor with Datax, simply log in to access your portfolio and begin trading.

The Visitors Center features links to Market Center, About Datak, Account Demo, Market Comparison, Careers @ Datak, Contact Us, Datak News, Fee Schedule, Helpdesk, and Streamer Demo.

Market Center: Check out the Market Center for a compilation of headlines covering the last few days' market news. This section contains bare-bones information, and there

About Dietek. This page provides a brief rundown of the services and information Dietek provides. For instance, Dietek began offering online trading in 1996 and has since blossomed into the fourth largest online broker in the U.S.

Broker Comparison. This link amounts to the downloading section for Data1. If you're looking for a reason to trade on Data1 rather than another online service, you'll want to visit this page. See how Data1's rates compare to other online services, read about Data1's online security, find out how to borrow against your funds, what the finance rates are, and see how Data1's order-routing technology is guaranteed to get your order in within 60 seconds or the transaction is commission-free (read the fee schedule carefully to see the restrictions to this guarantee).

Careers @ Datix. Once again, this section is stripped down. Careers @ Datix that gives two E-mail addresses for anyone interested in either a career opportunity or an internship with Datix. There are no stall-mail addresses because as stated on the site, Datix prefers to get inquiries and resumes via E-mail. The six job categories include the job title, location, and brief sentences with the description, responsibilities, and qualifications necessary for the position. You won't find salary ranges, contact names, phone-numbers, or addresses.

Contact Us. You'll find all the contact information for Datix here. If you need to know where to send checks for your IRA

account, if you're having trouble with an online transaction, or if you want to change the option to receive dividend payouts, this is where you'll find the necessary E-mail addresses, telephone numbers, and regular mail addresses. The technical support phone numbers are listed here, too. We recommend that you print them out and keep them nearby for reference. If you do experience trouble with your computer, it makes it impossible to access your account, it's possible you may not be able to pull up this page either.

The frequently asked questions (FAQ) section answers questions about whether accounts are insured and how much coverage they have. It also answers questions on the type of security Datak online has and basic information about IRAs and Mutual Funds. For instance, one of the FAQs about IRAs asks, "What is a Roth IRA?" For someone who really doesn't know much about IRAs, the four-sentence answer is not going to help push through a decision between a traditional IRA and a Roth IRA.

[illegible]

shares. It also charges \$50 for each stock certificate it sends you. And you'll be charged an additional \$9.99 for each returned check. There are costs and fees listed for subscriptions to publications and for placing phone orders. Unless Data's servers go down during regular trading hours, there is a fee for calling in and placing an order over the phone. Helpdesk. For as terse as some of the other links on the Data site have been, we were amazed to find a 27-page section in

Learning Series / Bank & Investment Sites 43

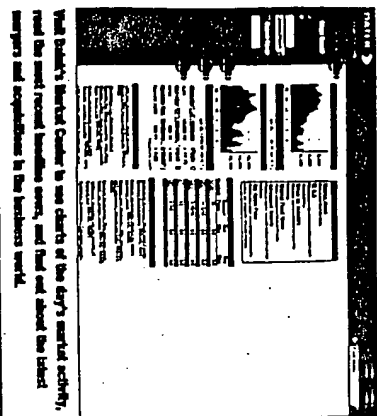


Fig. 1 Datel's Investor Center is one example of the firm's overall activity, and the most recent transaction screen, and that and about the latest company and acquisition in the business world.

immediately. To read "Investment Inside," which is a monthly newsletter for Datel investors, users must have Adobe Acrobat Reader on their computers. The download is free and available from the Datel site.

The Trading section delineates what you may and may not trade via Datel. Investors can buy and sell stocks available on the New York Stock Exchange, NASDAQ, and the American Stock Exchange, but not Bulletin Board Stocks or Pink Sheets. Trading also defines which accounts are ineligible for margin trading (retirement accounts and custodial accounts are not eligible for trading on margin).

The section for Updating Account Profile is fairly self-explanatory, keeping with the general Datel theme. This is where you would perform the more mundane maintenance tasks such as changing your password, E-mail address, or contact information.

There are no surprises in the Your Portfolio section. Your Portfolio keeps records of your daily activities, confirmations of trades, a history of your account, monthly statements, dividends, and so on, all of which you can view by clicking the various menu selections.

Finally, Helpdesk contains another link to Contact Us. No surprises here either; this page contains the same information users access through the Contact Us link on Datel's home page.

Streamline Demo. This section lets users apply to download Datel's Online Streamer. Streamer lets users see continuous lines of ticker-style stock quotes that are updated in real-time.

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■ The Application Process. The most difficult part of the application process is putting with the \$2,000 minimum necessary to open an account with Datel. However, this is no different than AmeriTrade, another prominent online trading site. The four-page, online registration is self-explanatory. Select among the types of accounts: Individual Account (Non-Tenant or Tenant in Common), Custodian Account, Professional Account, Partnership, Partner-

ship, Investment Club, or Trust, or Retirement Accounts (IRAs or Pension or Profit Sharing). The IRA account requires an up-front \$25 fee and will be charged a \$40 per year maintenance fee. Other fees for accounts are listed on the application.

Upon reaching the second screen, fill in the fields with the appropriate information. Your name, address, phone number, E-mail and home address, and more are necessary. All of these fields are required, so you won't be

able to proceed to the next screen until you've filled in all of the necessary information. The final two screens ask for your social security number, previous investing experience, and for your employer information.

Once you've filled in all of the required information, press the Submit Application button. Within a few days, you should receive a password and a username via regular mail. You'll also receive a more lengthy application that requires more in-depth financial and personal information. Once you've completed the application, you must return it and a check for a minimum of \$2,000 before you can actually begin trading. Datel activates your account after receiving your application and after your check has cleared. Read the Funds in & Out section in Helpdesk carefully to find out what types of payment Datel will accept for your account.

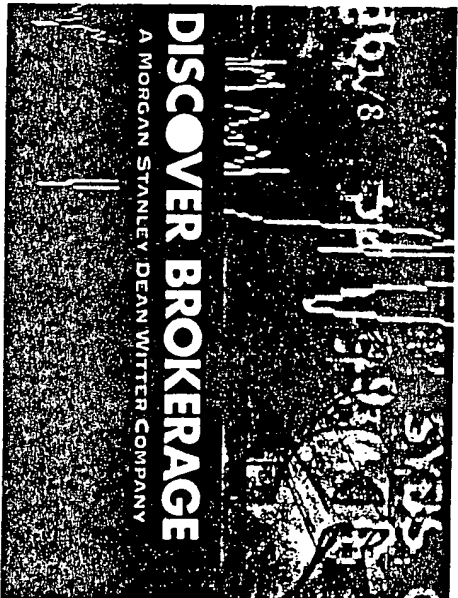
Once Datel has received the necessary funds to open your account (and the check has cleared), all that's left is for you to log in and begin trading. As an actual Datel trader, you'll have access to a few more investment resources, but the Vistas Center gives a fairly accurate snapshot of Datel. For self-sufficient investors who don't want to pay someone else to make their trades, Datel Online Services Corp. is a good choice. **[E]**

by Kate Olson

DON'T MISS

Here are a couple of important things to remember when you're looking for a new investment site. First, make sure you're getting the most up-to-date information. Second, make sure you're getting the most accurate information. Third, make sure you're getting the most reliable information. Fourth, make sure you're getting the most secure information. Fifth, make sure you're getting the most user-friendly information. Sixth, make sure you're getting the most comprehensive information. Seventh, make sure you're getting the most professional information. Eighth, make sure you're getting the most trustworthy information. Ninth, make sure you're getting the most honest information. Tenth, make sure you're getting the most ethical information. Eleventh, make sure you're getting the most responsible information. Twelfth, make sure you're getting the most caring information. Thirteenth, make sure you're getting the most compassionate information. Fourteenth, make sure you're getting the most understanding information. Fifteenth, make sure you're getting the most tolerant information. Sixteenth, make sure you're getting the most kind information. Seventeenth, make sure you're getting the most gentle information. Eighteenth, make sure you're getting the most soft information. Nineteenth, make sure you're getting the most sweet information. Twentieth, make sure you're getting the most pleasant information. Twenty-first, make sure you're getting the most agreeable information. Twenty-second, make sure you're getting the most cooperative information. Twenty-third, make sure you're getting the most helpful information. Twenty-fourth, make sure you're getting the most useful information. Twenty-fifth, make sure you're getting the most practical information. Twenty-sixth, make sure you're getting the most realistic information. Twenty-seventh, make sure you're getting the most sensible information. Twenty-eighth, make sure you're getting the most reasonable information. Twenty-ninth, make sure you're getting the most fair information. Thirtieth, make sure you're getting the most just information. Thirty-first, make sure you're getting the most honest information. Thirty-second, make sure you're getting the most truthful information. Thirty-third, make sure you're getting the most sincere information. Thirty-fourth, make sure you're getting the most genuine information. Thirty-fifth, make sure you're getting the most authentic information. Thirty-sixth, make sure you're getting the most original information. Thirty-seventh, make sure you're getting the most unique information. Thirty-eighth, make sure you're getting the most rare information. Thirty-ninth, make sure you're getting the most precious information. Fortieth, make sure you're getting the most valuable information. Forty-first, make sure you're getting the most important information. Forty-second, make sure you're getting the most significant information. Forty-third, make sure you're getting the most meaningful information. Forty-fourth, make sure you're getting the most impactful information. Forty-fifth, make sure you're getting the most powerful information. Forty-sixth, make sure you're getting the most effective information. Forty-seventh, make sure you're getting the most efficient information. Forty-eighth, make sure you're getting the most successful information. Forty-ninth, make sure you're getting the most profitable information. Fiftieth, make sure you're getting the most rewarding information. Fifty-first, make sure you're getting the most fulfilling information. Fifty-second, make sure you're getting the most satisfying information. Fifty-third, make sure you're getting the most enjoyable information. Fifty-fourth, make sure you're getting the most fun information. Fifty-fifth, make sure you're getting the most entertaining information. Fifty-sixth, make sure you're getting the most amusing information. Fifty-seventh, make sure you're getting the most interesting information. Fifty-eighth, make sure you're getting the most intriguing information. Fifty-ninth, make sure you're getting the most captivating information. Sixtieth, make sure you're getting the most absorbing information. Sixty-first, make sure you're getting the most enthralling information. Sixty-second, make sure you're getting the most spellbinding information. Sixty-third, make sure you're getting the most mesmerizing information. Sixty-fourth, make sure you're getting the most hypnotic information. Sixty-fifth, make sure you're getting the most mind-boggling information. Sixty-sixth, make sure you're getting the most mind-blowing information. Sixty-seventh, make sure you're getting the most mind-bending information. Sixty-eighth, make sure you're getting the most mind-numbing information. Sixty-ninth, make sure you're getting the most mind-shattering information. Seventieth, make sure you're getting the most mind-blowing information. Seventy-first, make sure you're getting the most mind-blowing information. Seventy-second, make sure you're getting the most mind-blowing information. Seventy-third, make sure you're getting the most mind-blowing information. Seventy-fourth, make sure you're getting the most mind-blowing information. Seventy-fifth, make sure you're getting the most mind-blowing information. Seventy-sixth, make sure you're getting the most mind-blowing information. Seventy-seventh, make sure you're getting the most mind-blowing information. Seventy-eighth, make sure you're getting the most mind-blowing information. Seventy-ninth, make sure you're getting the most mind-blowing information. Eightieth, make sure you're getting the most mind-blowing information. Eighty-first, make sure you're getting the most mind-blowing information. 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Using Discover Brokerage



the thought of discussing your financial future with a professional advisor makes you uneasy, you might be thinking that investing is simply not for you. But don't give up just yet. The Internet makes it much easier to get the information you need, and to invest your money, without leaving the comfort of your own home. An online brokerage worth your consideration is Discover Brokerage at <http://www.discoverbrokerage.com>.

Whether you are an investment pro or a financial newcomer, Discover Brokerage, which is a Morgan Stanley Dean Witter Co., offers a site that makes possible a hands-on approach many people find appealing. This site is for people with all levels of investing experience. If you are a novice investor, you will feel comfortable with the friendly and helpful way the site leads you through the investment process. Seasoned investors who don't need a site holding their hand should also find it meets all of their needs. There is a wide range of options that

include the ability to buy and sell stocks, options, bonds, and over 5,000 mutual funds.

■ Discover The Basics. The easiest way to navigate through the site is to use the links at the top and bottom of each page. Also, on the top right side of each page you'll find three buttons that let you Open An Account, Log In Here, or return to the Home page. After you've established an account with Discover Brokerage you can click the Log In Here button to access your account when you visit the site. If you're ready to open an account now, press the button. However, we suggest you do a little more poking around before you actually make the leap of opening an account.

To continue browsing the site, find the three drop-down lists at the top of the page. From these boxes you can select any number of destinations within the site, just pick your destination and press the Go button. The default settings for these items are What We Offer, Try Our Demo, and Investor

Resources. We recommend visiting these three main sections, which we'll discuss further in a moment, and anything else that piques your interest.

■ Open An Account. When you're ready to open a new account, click this button at the top of the home page to head to this section. There are three steps you must complete when you open an account: you must obtain the necessary forms, fill them out, and return them along with your minimum \$2,000 deposit to Discover Brokerage. To complete the first step you must obtain the forms. You can do this several ways, and the easiest is to complete the forms online, or to download the forms to your PC, print them, and send them in. If you'd rather do things the old-fashioned way, you can order them online or request them by phone and Discover Brokerage will send them to you.

If you're hesitant to complete the forms online because you are concerned about the security of your information, you don't have to be. The company uses the Secure Socket Layer (SSL) encryption system, which follows current standards for Internet security. All you need to benefit from this security system is a compatible Web browser. The company recommends Netscape Navigator version 3.02 or higher, but Microsoft Internet Explorer 3.02 or higher and AOL Browser 3.0 or higher will also work.

After you've completed and returned the forms, along with your deposit, Discover Brokerage will activate your account in three to six business days. The company will also send a new account acceptance letter and an account number to verify your new status.

■ What We Offer. Click this link on the home page if you are a new investor or an experienced professional who is visiting Discover Brokerage for the first time. The page offers all the basic information you'll need. Here you'll find information on how to become a member, what services Discover Brokerage offers, and useful information about the market. The blue box on the left side of the page lists the major links, which saves you the task of manually scrolling down to find what you need.

One of the areas covered in the What We Offer section is Discover Brokerage's Easy Ways To Invest. Here you'll find details

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Investing

on how you can invest 24 hours a day through the Web site, by using a phone (via the company's Instatrade automated system), or through a registered representative (when you really need to talk to somebody).

Try Our Demo. If you're a hands-on, visual learner, you will appreciate the demonstration this link offers. Rather than taking a leap of faith with your investing future, this link walks you through the Web site's resources.

Click the Test-Drive Our Demo and you'll get a first-hand glimpse of the Investor Center, which is the first page you would see after logging in with your account. From here, you can either browse through the demo on your own or click the Slide Show link to proceed through a guided tour of areas such as your personal home page and customized investment center. The slides change every 30 seconds, or you can manually click continue or back.

Investor Resources. If you are new to the world of investing, you have much vocabulary to learn, and this area of the site can help you with that. Not only will you find a glossary of terms, you also have access to free quotes, graphs, interactive calculators, and more.

Even if you're a math buff, the site's interactive calculator can be a useful tool. Discover Brokerage doesn't guarantee the accuracy of the calculations, and it recommends that you speak with a financial consultant before making any final decisions. That said, there are still many scenarios when this calculator would come in handy. You can use it to help you think through a situation before you have to make a decision. For example, let's say you are considering selling some of your stock, but you would first like to know what your return would be if you sold now. You can use the calculator to figure out the numbers.

Click Interactive Calculators, then the Stocks link in the blue box. Next, click the link What Is My Return If I Sell Now? and fill in the areas asking for specifics about your stock. Fill in the boxes with the correct numbers, and click Calculate. At the bottom of the screen you'll see the results of your calculation along with an explanation of those results. You will also see a

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Don't Miss

A you make your way through Discover Brokerage, be sure to check out these features:

Try Our Demo. This feature lets you walk through the investing process as if you are already an account holder. Discover Brokerage, be sure to check out these features: **Interactive Calculator.** Discover Brokerage's interactive tool lets you calculate the results of various investment scenarios. **Investment Center.** This is the home page for investors who have already opened an account with Discover Brokerage. **Investment Center.** This is the home page for investors who have already opened an account with Discover Brokerage. **Investment Center.** This is the home page for investors who have already opened an account with Discover Brokerage.

graph of your return as it compares to the price of stock.

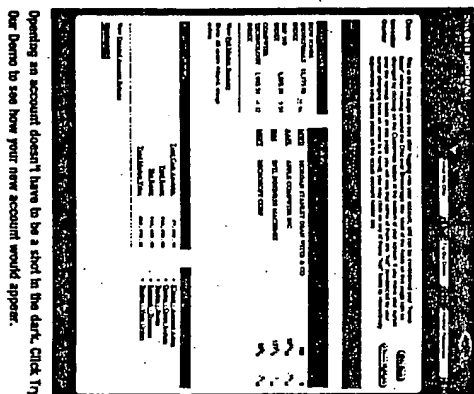
Corporate Information. In 1995 Discover Brokerage became one of the first financial institutions to provide its services online. If you want to learn more about Discover Brokerage, you can click on the Corporate Info link on the bottom of each screen.

The Year 2000. A concern for many computer users is the Year 2000 problem (Y2K), and Discover Brokerage addresses this issue up front with a link at the bottom of the home page. Labeled Year 2000 Update, the link leads to a page where the company addresses its Y2K preparations.

Still Not Sure? If you're still not sure if Discover Brokerage is for you, maybe you'll take the word of some experts in the field. According to a company press release, the financial magazine Barron's awarded Discover Brokerage a four-star rating in a recent ranking. The company was one of only four in the survey to receive the four-star rating. It's the fourth year in a row Discover Brokerage has earned the four-star distinction from the Dow Jones & Co. magazine.

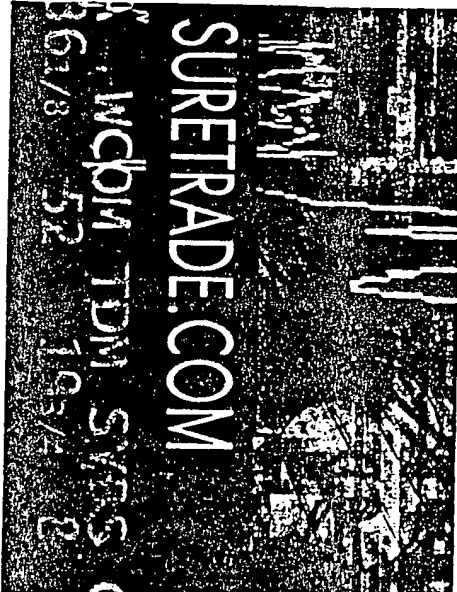
But don't take Discover Brokerage, Barron's, or our word for it. Go in, poke around the site, and spend some time browsing the free information. Chances are you'll find something to like here. And if you decide to join, then the real decisions begin. **[E]**

by Jennie Murdoch



Opening an account doesn't have to be a shot in the dark. Click Try Our Demo to see how your new account would appear.

Using SURETRADE



SURETRADE (<http://www.suretrade.com>) offers a range of investment services aimed at the active investor. For a

base price of just \$7.95 per trade for up to 500 shares, Suretrade lets you trade stocks or diversify into bonds, mutual funds, and the options market. Some readers may wonder if they can get into the latest hot IPO via a Suretrade account. Unfortunately, this is not yet possible. However, a note on the site says IPO trading will be offered in the next few months. Users away from their computers or reluctant to trade over the Web can use a touch-tone telephone to access their Suretrade account, as well. There's even an option to deal with a real, live broker if you prefer. Neither alternative is free, and both involve higher commission charges.

In addition to standard buy-sell offers, SURETRADE offers the full range of common transactions, such as market and limit, stop and stop-limit, all-or-none, fill-or-kill, and good until canceled (GTC). The availability of these transactions typically depends on market factors such as the stock or security reaching a certain price or the availability or marketability of a certain number of shares. SURETRADE

promises to confirm your order within seconds of execution and will update your investment portfolio automatically.

Visitors to SURETRADE have immediate access to three main areas of the site via menus. These areas are Information, Free Research, and Open An Account. Under Information, you'll find frequently asked questions (FAQs), press releases and news stories, Suretrade's security and privacy policies, an extensive glossary of investment terms, and details on Suretrade's commission structure for various kinds of transactions. Read the final section carefully to get acquainted with the numerous exceptions to the \$7.95-per-trade base commission.

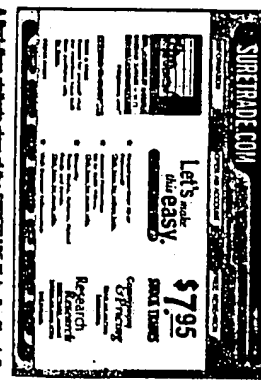
SURETRADE's online help is direct and addresses such issues as how to access and manage accounts, look up stock symbols, get real-time quotes, and transmit and verify trades. From the Information Menu, select Help and then the topic you want to read more about.

The Free Research area includes descriptions of real-time quotes, stock charts and graphs,

stock watch and analysis services, in-depth market research reports, and other investment resources. Somewhat confusingly, the Free Research section—and not the General Information section—is where you'll find a very useful site map and tour with demos of SURETRADE's major features.

To take an orientation tour of SURETRADE and to see a demonstration of how it works, select Tour & Demo from the Free Research menu, then click Map. Finally, select from the Account Information Tour menu to sample basic functions such as checking your account balance, positions held in specific securities, trades completed, or the status of pending orders. You'll also find a copy of the form used for withdrawing cash from your account. Or select Trading Demo to step through Suretrade's form-based stock, options, mutual fund, or bond trading processes. The Research Tour section offers screenshots and additional information about the individual investment services listed on the Free Research menu.

Registering To Trade. Obviously, trading securities is serious business. SURETRADE requires potential investors to register, agree to certain standard conditions, and set up an account before actively engaging in market transactions. Online registration is easy. Simply click Open An Account, choose a user name and password, supply your E-mail address, and enter your contact information. Next, you will need to indicate the type of account you want to open. Your choices are Individual, Joint With Rights Of Survivorship, Custodian For A Minor, or a link to an existing brokerage account. If you specify an individual account, you're asked to supply employment information, financial data, and bank references are optional. If you're an



A first-time visitor's tour of the SURETRADE Web site. Click it and try trading Web! <http://www.suretrade.com>

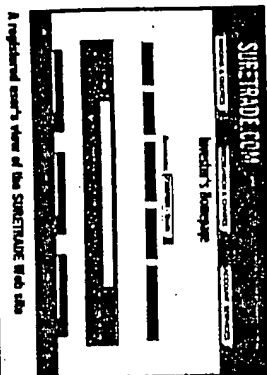
Investing

offer, director, or majority shareholder of a publicly traded company; a stock exchange employee; or a member of the National Association of Securities Dealers, then securities law—and SureTrade—require you to divulge that fact.

Margin trading, which involves special risks, requires signing an addendum to the customer service agreement. Individual account applicants are asked to define their investment objectives—income, speculation, safety, capital appreciation, or other. This selection is required to plot a more aggressive or more conservative investment strategy, whichever best fits your objectives. Finally, you are asked to indicate your compliance with SURETRADE's Electronic Services Agreement, a multi-page contract covering provision of services, commissions, security, indemnification, account restrictions, and so on. SURETRADE processes your account and allows you to log in as a registered user within a single business day. In order to fully activate your account and start trading without restriction, you have to comply with IRS requirements and print out a copy of the Electronic Services Agreement. Sign the form and mail it to SURETRADE. Note: The registration process is tailored to the type of account you want to establish. If you elect to open something other than an individual account, you'll be asked to supply some additional or slightly different information than that discussed above.

■ Members-Only Benefits. Once you've registered with SURETRADE, you can click Member Login to enter the secure, members-only portion of the Web site. The options here are quite different from those that unregistered visitors are able to see. After you complete and sign off on another round of subscription agreements, SURETRADE welcomes you with your personal investor's Homepage. Here you have one-click access to your account balances, positions on securities held, your account history over time, order status, and trades executed on your behalf.

From your investor's Homepage you also have access via drop-down menus to three categories of proprietary SURETRADE features: Trading & Quotes, Research & Charts, and Account Services. The Trading portion of the Trading & Quotes menu lets you choose Stocks, Options, Mutual Funds, Bonds, plus information about touch-tone phone trading. Depending on your selection, you'll get additional data or links



A registered user's view of the SURETRADE Web site

to data such as ticker symbol lookups or current quotes. You'll also find a form that you fill in and submit to place your order. Mutual fund trading involves yet another customer agreement and a specialized fund screening form. The bond trading area is also specialized and consists mainly of detailed information about the bond market. This section is designed to help you make an intelligent investment decision.

Stepping down to the Quotes section of the Trading & Quotes menu, you can get real-time quotes for specific companies, along with links to investment research and news stories. An alternate real-time quotes selection charges \$25.95 a month for a more full-featured service. You may select delayed stock quotes and get price histories, intraday clearing, and moving averages—all of which are useful for tracking stock trends on a short- or long-term basis. You will also find links to pertinent news stories, research, and information from the company's own Web site, including the option to receive daily stock quotes, news headlines, and other key information via E-mail. Option quotes and option chains (the latter provide price



A glimpse at SURETRADE's mutual fund charts

and information on related options for a particular security) round out the Trading & Quotes menu.

The Research & Charts menu provides you with a broad assortment of investment research tools, including company news and profiles, breaking international and business stories, live market commentary and analysis,

published investment analysis reports, newsletters, and stock screening and charting services. Several of these sites are quite deep and complex (please see the "Don't Miss" sidebar). They offer a rich and detailed variety of specialized research services, most of which are worth the time it takes to explore them. Some provide even more sophisticated investment tools for an additional fee.

The Account Services menu lets you open new accounts online, change your password and other account information, request cash withdrawals, and link or cancel accounts. You can open a margin or an options account, but both require additional signed agreements, financial guarantees, and levels of security. From the Account Services menu, you can review your current account balances and history, positions in securities you've traded, trading order status, and executed transactions. You can also set up your own portfolio management service by recording assets and securities, specifying stock indexes to monitor, and entering data about the number of shares you own, as well as the prices and commissions paid. The portfolio management software lets you set display preferences and includes a Java-driven personal portfolio viewer so you can see how your stocks are performing (on a 20-minute-delay basis) versus the major indexes. The Account Services menu also includes links to self-guided financial planning exercises for college and retirement investing.

Buttons at the bottom of the SURETRADE page give you speedy access to some of the more commonly used account management features. The Trading button takes you directly to the stock trade form. Click Charts for a series of graphs showing performance snapshots covering the last few hours for the Dow Jones Industrial Average, National Association of Securities Dealers Automated Quotations system (NASDAQ), and Standard & Poor's 500. Click the Update button to refresh the display in real time.

■ Trading Passwords And Payments. SURETRADE actually maintains two levels of security. A basic password is required to gain access to the added-value areas of the site. Another password is required to actually buy and sell stock and conduct other securities transactions online. Your trading password is usually the last four digits of your social security number. Non-U.S. citizens can use the

month and year of their birth. For instance, August 1965 would convert into 0885. You can open a basic trading account without sending SURETRADE any money at all. Before trading starts, however, you must deposit funds via check, money order, or wire transfer to cover at least your immediate transaction. Once those

funds clear, you're off and running. Options trading, because of its risky and highly speculative nature, requires special levels of clearance. SURETRADE has garnered praise from individual investors and the business and investment press for trading reliability, an easy-to-navigate Web site, and an economical

commission structure. We haven't yet estimated it with our extremely modest portfolio, from what we've seen, it's likely that SURETRADE lives up to its name. **■**

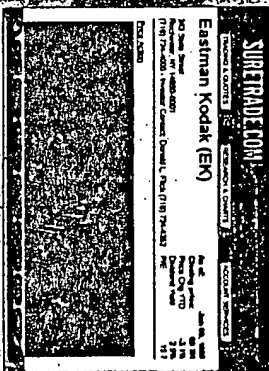
by Ron Bach

DON'T MISS

Don't miss the SURETRADE.com website, which offers a wealth of investment research and trading tools.

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SURETRADE.com Eastman Kodak (EK)

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Comparing The Best Investment Sites

Which Online Brokerage Is Right For You?



If you have always wanted to dabble in trading stocks, then now may be the perfect time to start. Some great investment sites are making it easier than ever to invest your money. With the abundance of sites, however, picking the perfect investment service is a little tricky.

To help you make an informed decision about which service to entrust with your savings, we invested \$10,250 using six of the top online brokers: Ameritrade, Datak, Discover Brokerage, E*TRADE, Schwab, and SURE-TRADE. We're not brokers, so we kept it simple when choosing our stocks. We looked at some of these sites' research features and some research tools found at other sites, such as Yahoo's Stock Screener (<http://screen.yahoo.com/stocks.html>) to help us narrow our choices. We looked for stocks in the \$50 to \$45 price range that professional brokers highly recommended. We went with a portfolio of General Growth, Papa John's Pizza, and Wells Fargo Bank.

50 Best Investment Sites / Learning Series

came out average, however, among our six sites because of its blue-and-mint user interface and its sluggish speed.

By trial-and-mistake user interface, we mean that the front page is weak. It may be a personal preference of ours, but it seems that the portfolio should be on the front page. The first thing we want to know when we log in is how our stocks are doing. It's nice to know how the indexes are doing, too, but you have to look out for number one. The bland design at least has a fairly straightforward navigation. Links at the bottom of the page, such as Order Status and Equity Order, are self-explanatory.

The user interface for trading was much better. Ameritrade offers three options: Basic, Intermediate, and Advanced. Each interface is well-suited for that type of user and the Web site will remember which one you choose. The Basic interface, for example, performs a plan market order, unless you use the Limit Wizard that not only lets you place Limit, Stop, and Stop Limit orders but also explains the differences between the three. The Intermediate user option, on the other hand, simply has a field to enter the limit and radio buttons to select Limit, Stop, or Stop Limit.

Buying and selling stocks was easy, but amazingly slow. Pages took a long time to load, especially compared to other trading sites. We also noticed that Ameritrade doesn't offer the same security measures as some other sites. Datak, E*TRADE, and SURETRADE all required users to either re-enter their password before completing a trade or to enter a second, "trading" password to complete the transaction. Ameritrade required neither, which means you shouldn't leave an Ameritrade window open on an unattended computer.

Another difference we noticed between trading sites was how long it took to open the accounts and how long it took to get confirmations of the orders we placed. Ameritrade opened our account fairly quickly—within a week—but we didn't get an E-mail confirmation of the trades we placed until the following day. That doesn't mean it took a day for the trade to go through, though. The Web site showed that Ameritrade executed the orders within a minute or two of placement.

■ **Datak.** Datak's (<http://www.datak.com>) user interface was another one with less-than-stellar ease-of-use. The site doesn't show the

portfolio or the indexes, such as NASDAQ and S&P 500, or the market news on the front page. The site's three pull-down menus do a decent job of breaking the site down into easy-to-navigate sections, but trading and fetching stock quotes aren't nearly as easy at Datak as it is on other sites.

We were unimpressed with the site from the get-go. The first time we tried using it, we received multiple security errors involving certificates, so we tried again the next day. The security errors were not there, but in their place were other annoying errors. Namely, if we pressed the ENTER key instead of clicking the button next to a text field (such as the Get Quote button), we often received error messages that asked us to use the button instead. To be sure, we tried the site from a second computer, with the same results. It's admittedly nit-picking, but none of the other sites were so choosy.

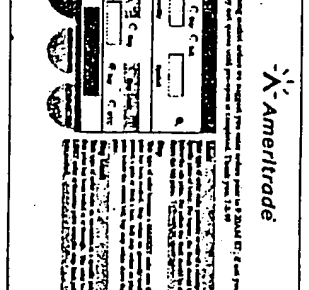
The portfolio page, however, is nice. Its design is attractive and the site has a lot of information packed into a single page, complete with a chart highlighting recent activity of your portfolio's "best performer" (the stock gaining the most ground) or "worst performer" (the stock losing the most ground). Also impressive was the site's speed. Not only did trades complete within seconds, but the site's pages also loaded quickly.

The site's trading features are geared toward investors who already know the difference between market and limit orders—the site doesn't explain the difference anywhere on its bare-bones trading interface. For experienced investors, the interface, while not elegant, is quick and easy to use.

It's also inexpensive. The \$60 we spent on commissions at Datak was the third-lowest of the six sites. We had \$1,939 of the \$2,000 we deposited left when we closed the account.

We requested E-mail confirmations of our trades, which we placed within minutes of each other. Oddly enough, we only received a confirmation on one

of the three orders we placed and that came a day after the trade. The Web site did show, however, that all three trades were completed within a minute or two of their placement. We do want to give Datak credit for setting up our account quickly. Two business days



Ameritrade's basic trading interface helps beginners make their first trades.

after we mailed the check, Datak deposited it. The account was ready to go.

We also appreciated that the site required users to re-enter their password before completing trades. You can never have enough security, especially when you're talking about \$2,000 worth of cash and stock.

■ **Discover Brokerage.** Discover Brokerage (<http://www.discoverbrokerage.com>) has a nice design with low commission rates. With in-depth research materials, a customizable home screen, and quick access to

trades, this site will keep some of the power users out there happy.

One reason online trading is becoming so popular is the rock-bottom commissions. At \$14.95 a trade for all market orders, Discover is certainly a good deal. When we sold off our stock and added up the numbers, Discover's commission fees had cost us \$94.70 of the initial \$2,000 deposit. While this certainly wasn't the lowest total commission in the review, it's certainly respectable. Counting the few extra cents we generated from our stocks, we had a little more than \$1,900 in our account at the end.

Navigating the Discover Brokerage site takes a little getting used to. Navigation bars are present at both the top and bottom of the page, and the site divides each bar into two more bars. The top bar lists the seven primary sections of the site, while the second bar lists the various subcategories. Once you're comfortable with the interface, navigation is fast and easy.

Discover has links to some detailed information, including reports from Zacks Investment Research, Thomson Financial Proprietary Research, and Reuters' news. These reports will give more experienced users some real food for thought. While the resources on Discover provide in-depth information, they have fewer resources than some of the other sites.

Although the site does have some information for beginners, including important notes about trading in fast market conditions, there is certainly less of a comfortable feeling than at other sites. This is a good site for more intermediate traders—people who have had some experience and don't need the site to coddle them but aren't professional traders or economic majors.

Hunting down a ticker symbol takes a little more work than at some of the other sites. Another irritating feature is that you have to specify your account type, such as cash, margin, or short, every time you place an order to buy or sell. The orders went through in less than a minute, regardless of whether we were buying or selling. The site quickly notified us

Discover Brokerage Research Reports from Zacks Investment Research, as well as a number of other Web sites such as Thomson Investment Research and Reuters' News.									
General History									
Company	Price	Volume	Market Cap	Dividend	Dividend Yield	Dividend Payout Ratio	Dividend Growth	Dividend Frequency	Dividend History
General Growth	1200	100	1200	1.00	8.3%	100%	10%	Quarterly	1994-1999
Papa John's	1200	100	1200	1.00	8.3%	100%	10%	Quarterly	1994-1999
Wells Fargo	1200	100	1200	1.00	8.3%	100%	10%	Quarterly	1994-1999
General Growth	1200	100	1200	1.00	8.3%	100%	10%	Quarterly	1994-1999
Papa John's	1200	100	1200	1.00	8.3%	100%	10%	Quarterly	1994-1999
Wells Fargo	1200	100	1200	1.00	8.3%	100%	10%	Quarterly	1994-1999
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Papa John's	1200	100	1200	1.00	8.3%	100%	10%	Quarterly	1994-1999
Wells Fargo	1200	100	1200	1.00	8.3%	100%	10%	Quarterly	1994-1999

This is a great site for comfortable investors. We like the in-depth research tools, but we would have liked to see a few more resources. The site was reliable, responsive, and easy to navigate once you grew accustomed to it. Overall, we recommend Discover Brokerage to intermediate investors.

of any site in this review.

ever, that charged more for trades on the NASDAQ exchange. But even commissions were still average. We little less than \$900 of our \$1,000 remaining after subtracting the \$104, mission fees. You can certainly find investment sites on the Web, but E*TRADE's polished package.

Customers have access to BASELINE in-depth reports on thousands of companies. Delayed and real-time quotes are available and are never more than a click away. Broker recommendations, income statements, and key ratios are all available and easily accessible at this site. E-TRADE's easy navigation, low initial deposit, and excellent resources make this a

The trading interface was fairly easy regardless if you want to buy or sell. You can quickly look up stock symbols by clicking the Find Symbol link. You can also buy, sell, sell short and buy to cover, as well as place market, limit, and stop limit orders on all transactions. Another cool feature is that you can place orders that are good for the entire day or

Not only were the commission fees high, but we also ran into a problem getting our account set up. Someone at Schwab had entered the social security number for our account incorrectly. To Schwab's credit, its people did help us out and in a matter of minutes, fixed the error, and got our account opened.

addition to regular buy and sell orders. You can place limit, stop, and stop limit orders in addition to market orders whether you're buying or selling, but don't look for explanations on various types of orders. Schwab executed our trades and orders quickly, and it displayed their status in the Accounts Overview page.

■ **SURETRADE.** The SURETRADE (<http://www.suretrade.com>) site proves the adage, "You get what you pay for." The \$50 we spent in commissions was well below what we spent at all other trading sites, and there's no minimum trade. So, when we closed the account, we had \$703 of the \$750 we deposited. But the features are relatively sparse and the trading interface produced some flaky results that made buying and selling stocks a little unenjoying.

The trading interface was similar to Datek's—everything is accessible through three pull-down menus: Trading & Quotes, Research & Charts, and Account Services. The site doesn't include the portfolio on its front page, but it is only a click away. The Positions button will save you the trouble of using the Account Services menu.

For such a relatively inexpensive trading service, with no minimum balance, and one that doesn't offer real-time stock quotes, you'd think the site would cater to new investors. Surprisingly, however, SURETRADE offers some advanced features through its trading interface. Investors can place qualifiers, such as "o-not-reduce" and "fill-or-kill," on trades,

and, to a lesser extent, (only one qualifier was available) at Discover Brokerage. SURETRADE had a few qualifiers not available at Ameritrade and Schwab, namely "at-the-opening" and "at-the-close."

Fancy options aside, SURETRADE's trading interface is fairly straightforward. If there's a field users don't understand, all

■ **Add The Winner Is...** Our favorite of the six sites was E*TRADE. Its pricing is affordable, it's a little wacky, and it's easy to navigate the site. The research tools are excellent and the security better than most. Discover Brokerage gets an honorable mention for its low prices and good research tools, but it's not quite as easy to navigate as E*TRADE, nor as inviting to inexperienced investors.

For what it's worth, we finished with \$9,716. For the \$10,250 we initially deposited, a loss of about \$540. But, considering the total fees and commissions were \$548, that meant our modest portfolio had made \$8 in just a few days. Not enough to retire on, but we didn't lose anything. For that, at least, our editor was happy. **14**

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discuss recent earnings reports from Microsoft.

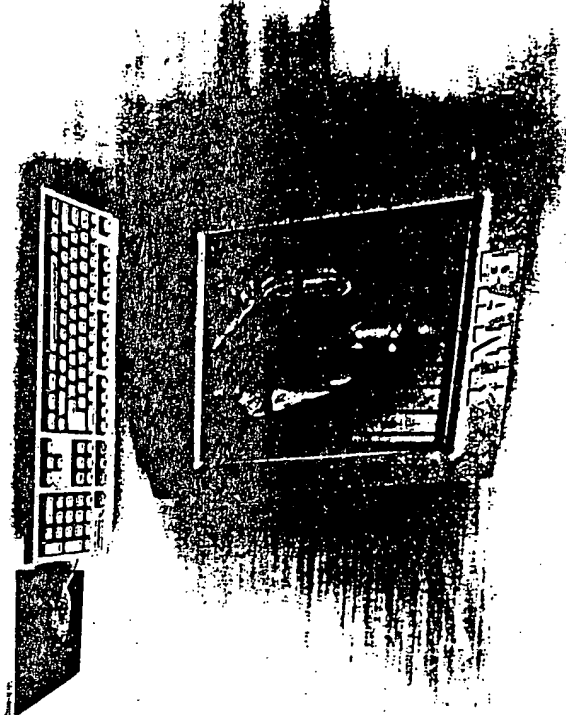
<p> Food World Alt. business to open Cost per trade —goods —initial funds Owner (pre/delayed) Start level of </p>	<p> Easy, slow trading interface; inexpensive \$2,000 \$2 \$18 Yes \$257 level of </p>
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<p> Asset Fixed Asset Alt. balance to open Cost per trade —costs —material costs Quotas (pre/delayed) SLT Level </p>	<p> Liability Empty, slow trading interface Inventory \$2,000 \$2 \$18 Inc of </p>
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Details	Discover	FTBLADE	Schedule	SUREBLADE
Low prices, add-oner internet	Banking	Card features for beginners	Expensive	Fastly trading results made as reports
\$2,000	\$2,000	\$1,000	\$2,500	more
\$9.95	\$14.95	\$14.95 to \$19.95	\$29.95	\$8
\$8.95	\$25	\$24.95	\$60.01	\$25
Free	Free	Free	Free	delayed (20 minutes)
Intermediate	Intermediate	Intermediate	Advanced	intermediate to advanced

Bank Online

All-Electronic Banking Saves Money & Time



The compounding field of online banking offers a diverse portfolio of computer-based tools for tracking your cash. You can go online to check account balances, transfer funds, pay bills, look up past transactions, get bank information, and manage your money in about every other way you can without actually touching it.

That means no depositing actual green bills or paper checks in the drive-through lane or at the ATM. Plus, too many people these days just don't have the time to wait in line or configure their schedule around bankers' hours. So, for those people who find themselves

attached to a computer most of the day, online banking starts to make sense.

According to the Online Banking Report, an industry newsletter, about 370 American banks offer online services. Of the 10 largest banks in the United States, only two have no online account access. To take just one example, bank giant Wells Fargo says 1 million people use at least some of the Internet banking features it offers to account-holders.

Jim Bruene, editor of the Online Banking Report, estimates almost 10 million people access checking or credit card account information using Microsoft Money, Intuit's Quicken, or direct bank Web interfaces.

More than a third of those customers pay at least some of their bills electronically, he says. Many of these people probably still make trips to a brick-and-mortar bank branch now and then, but more and more customers are discovering life without drive-through lanes and tellers is possible with a computer, a modem, and an online bank account.

■ The Online Advantage. One of the Internet's best-known online banks is NetBank. Unlike most banks that offer online account access in addition to their standard system of branches and tellers, NetBank

(<http://www.netbank.com>) forgoes the bricks and mortar and offers all its services exclusively over the Internet, telephone, and mail system. More than 35,000 customers have signed up since the bank received its charter in 1997.

Banks spend about 50% of their operating expenses on the branch network," says NetBank CEO D.R. Grimes. "By eliminating that 50% of expenses, we generate enough money to share a substantial portion of that with our customers and be profitable, as well."

Grimes says the extra money is reflected in NetBank's lower fees and higher interest rates. On top of that, the online bank delivers goodies online customers come to expect, such as 24-hour a day, seven-day-a-week availability and quick access to statements. No proprietary software is needed to use NetBank. Grimes says, so any computer with a Web browser and Internet access will do.

"That's something a lot of people don't realize until the first time they try it," he says. "It's the universal connectivity and the ease of use that makes it so powerful."

In fact, it's possible to perform all of your banking from just about anywhere using a combination of your computer to manage accounts and ATMs for depositing and withdrawing funds. Although most new online banks and established banks with an online presence allow electronic bill payment, the banks also offer standard paper checks for those who prefer them.

"I'm not predicting the demise of branch banking," Grimes says of NetBank's potential. "There are services that are tougher to provide without the personal contact." Brick-and-mortar banks will have to be around for high-cost services, he says, such as cash deposits and safe-deposit boxes.

Bruene agrees bank tellers don't need to polish up their resumes just yet. In fact, Bruene says the small customer base of NetBank is basically nothing.

"There hasn't been that big of a rush to them," he says. For whatever reason, Bruene says, people like being able to make small talk with a teller once in awhile. However, all that real-world physical banking comes at a price. Bruene estimates traditional brick-and-mortar banking costs the average family about \$1,000 a year in lost money, due to

no-interest checking accounts, low-interest savings accounts, a fee here, and a fee there. It all adds up to a hidden cost not likely to attract the notice of most consumers. The money to pay friendly tellers and to hand out suckers to the kids has to come from somewhere.

"If you're willing to pay \$1,000 for the branch, they'll be there for you," Bruene says. "If you vote with your wallet, these services will go away."

■ Much ADO About Banking. All these different services and capabilities sound interesting, but when you think about it, this whole new ball of wax is not that much different from the way we already have. Most of the same day-in-and-day-out balance inquiries and fund transfers popular with the online banking crowd could be done over the phone

WELLS FARGO Online Banking

Direct Deposit

Enter your direct deposit information. You can deposit your paycheck or other recurring payments directly into your Wells Fargo checking account. This is the fastest and easiest way to get your money.

Checkbook Balancing

Check your checkbook balance online. This feature allows you to compare your checkbook balance with the balance in your Wells Fargo checking account. This is a great way to make sure your records are accurate.

Bill Payment

Pay your bills online. You can pay a variety of bills, including credit cards, utilities, and more. This is a convenient way to keep track of your bills and make sure they are paid on time.

Transfer Funds

Transfer money between your Wells Fargo accounts. You can transfer funds from your checking account to your savings account, or from one checking account to another. This is a quick and easy way to manage your money.

Account Information

View your account balances and transaction history online. This is a convenient way to keep track of your accounts and see how your money is being spent.

Customer Support

Get help with your online banking. Our customer support team is available 24 hours a day to assist you with any questions or problems you may have.

Wells Fargo's online banking lets its customers set up direct deposit, review statements, transfer funds, and pay bills electronically.

or at an ATM long ago. So why all the hubbub now?

"It's not that exciting. Banking is not particularly exciting," Bruene says. "It's something people want to minimize." Although most online banking is really nothing more than trading an old-style phone menu for new on-screen Web menus, customers who find themselves on the Web much of the day either for their jobs or just for fun probably consider it more convenient to do their banking there, as well.

Bruene says any way you look at it, online banking in its current form is not the same kind of new frontier that, for instance, online investing has turned out to be. Whereas online investing gives many people a previously unexplored outlet, online banking only

provides a set of new tools for doing the same things with their money as before.

But today's meager assortment of online tools, Bruene says, provides the foundation for something that will change the way many of us manage our finances in the future. As more and more of the nation's financial system moves away from paper documents, such as checks and dollar bills, to the purely electronic recording of information, online banking will let consumers clear off their kitchen tables and leave the daily grind of checkbook balancing and bill paying to their banks.

The key is bringing everyone on board the electronic bandwagon. Right now, Bruene says, services such as online bill paying suffer in the shuffle between electronic and hardcopy documentation. Paying a bill through an online service usually means sending electronic information from your computer to the service's computer, which turns it into a paper check to be sent via snail mail to its recipient, who then takes it to a bank where it is turned once again into digital data. Switching back and forth slows the process.

Before long, Bruene says, paying bills will be more like responding to E-mail. A bill will show up in your inbox, and you will simply click a button to pay it. The vision is that banks will offer Web-based control panels where customers could set most of their bills and other payments to be made automatically on a preset schedule unless the bank's computer notices certain conditions you've specified.

For instance, you might tell the bank to automatically pay your monthly cable bill unless it is more than \$70, and if that's the case, you can have a message sent telling you why it's so high. Or, you may tell the bank to fire off an E-mail message when your checking account drops below \$1,000 and give you a phone call if it goes below \$100.

"You'll have your financial services running on autopilot, with the autopilot set to tell you when something's wrong," Bruene says.

Combined with existing services, such as paycheck direct deposit, an all-electronic system lets users spend less time with repetitive monthly chores, ensures bills get paid on time (assuming your accounts have plenty of

Delivering

Such a system sounds a bit fantastic, but it's really nothing more than extending the all-electronic world inside banks all the way to the customer. The fact is that banks already have a lot more money piled up in computers than they ever had in vaults.

today's world, when managing finances is still a very real part of a paper-filled, day-to-day life, the question becomes whether the rather limited online services banks offer right now are worth bothering with. The answer largely depends on how happy you are with your present banking setup, how much you use your computer, and how much you like to operate those vacuum-tube canisters at the drive-through lane.

The tried and true. A good first step might be to see what's available without actually moving any of your accounts. Venturing into online banking doesn't have to mean giving up your present bank. The friendly folks who count your money may offer a nice suite of online tools that let you access everything those Internet banks make available.

Using the online resources offered by your present bank provides the advantage of not having to learn new rules and routines. Continue to make deposits in person if you like and zip through the drive-through now and then for some instant satisfaction. Access the bank's Web page only when you feel up to the brave new world.

On the up to speed, some physical banks may not be able to speed with online services as they may offer them only for an extra fee. Why? Some banks feel the need to charge money for a system that supposedly saves them money by being curious; however, banks aren't known for their reluctance to introduce new fees. That's OK, there probably are other banks in town more than willing to win your business. If you have trouble sorting them out, try browsing <http://www.bankonline.com>, a handy Web site that keeps track of banks that offer online services.

A real virtual bank. The whole-hog Internet-age option is, of course, to sign up

banking's higher interest rates and free online bill payment sounds like a winning combination for your situation, the next step is to decide where to plow down your electronic cash. Neil@n's CEO says the most important characteristics to look for are a

Probably even more important than longevity in a field where even the most venerable institutions count their birthdays on one hand is to make sure the bank is federally insured. If you are considering an online bank and can't tell whether the company

1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 26

The image displays a highly textured, high-contrast surface, likely the cover or endpaper of an old book. The majority of the frame is filled with a dense, grainy pattern of black and white speckles and noise, giving it a mottled appearance. On the right side, there is a distinct vertical strip of lighter, more uniform material, which appears to be the spine or a hinge of the book. The overall quality is poor, with significant digital noise or degradation, making any original details difficult to discern.

[illegible][illegible]

Trusting your life savings to just any Web site that purports to be a bank would not be a good idea. Crimes says there aren't as many online banking scams as there were a few years ago (the FDIC has been pretty diligent about searching them out), but a few carpetbaggers still turn-

Online scan artists, reputable instructors make good on their promises to share some of those online dividends with customers. The standard NetBank checking account, for instance, was

The Internet's brick-and-mortar

Security First Network Bank (<http://www.sfnb.com>) even offered a 6% rate for a limited time. Serious investors may say these rates aren't all that great, but they beat the sub-1% or nonexistent interest offered on checking accounts at most banks.

The basic online bank account features no monthly service fees, comes with an ATM card for withdrawing cash on-the-go, offers the potential of a debit card, and gives customers full check-writing capability. You can

take advantage of free online bill payment to save a little more money and time, and as Crimes says, consumers can view all account options from any Web-connected computer.

Before you cast your economic pallot, however, consider a few of the disadvantages Chief among them for many people would probably be putting money into your account and getting money back out again. Cash deposits are going to be tough; depositing checks takes however long the mail needs to



Garnes says the ATM problems are not that big of a deal. Fee-free ATMs still exist, he says, and the NetBank site lists links to pages that monitor their seemingly dwindling numbers. People who travel a lot are used to paying a

Make There may be other accounts not shown here so which you may be a dependent. Refer for information.

Deposited Accounts

Mr. Owens	2222222222222222XXXX	Credit	\$1,200.00
Mr. Jones	2222222222222222XXXX	Money	\$1,200.00

*These balloons are an instant holiday seasonal display. *These ornaments are collected for 300 years.

money is safe by telling the Federal Deposit Insurance Corporation which banks are insured against loss.

fee to the bank that owns the ATM, as well as fee to their own bank, so chopping off even one of those fees is a boon for them. Another local option besides scrounging for free ATM

One bit of good news is that you don't have to give up talking to people altogether. Online banks such as NetBank and Security First

doesn't mean someone intent on Internet banking has to settle for what appears to be the only game in cybertown.

A good, old-fashioned brick-and-mortar bank hundreds of miles away could become your online bank. The Web lists a slew of banks offering

to attract faraway customers
It's not hard to imagine that
lot of smaller regional banks
are hoping to get into the
online banking biz and sud-
denly be able to compete with
bigger rivals around the

Another option is to hook up your company's website into online stock-trading outfits. Companies such as

E*TRADE (<http://www.etrade.com>), **Waterhouse** (<http://www.waterhouse.com>), and others actually work in ways similar to Internet banks. You don't have to place the stock market to take advantage of their services, either. Simply deposit your funds in

money, market account that earns interest and includes check-writing abilities. Keep track of your accounts online; make deposits either directly through the mail, and sign up for an ATM card (sounds like an Internet bank to us).

If you ever get the online investing bug you'll be able to start with just a few mouse-clicks. Just make sure the money market fund doesn't charge fees for writing more than a certain number of checks. For

The double-team. Perhaps the option that makes the most sense is to play both sides of it online equation. Keep an account with your

1

making online. Once you've decided to perform at least a few banking functions online, either with your present bank or an online institution, the best way to explore the possibilities is to ask your bank for a list of which services your bank of choice offers and how to access them in to play around with the Web site or proprietary software. All banks arrange things a little differently, but we'll take a look at some general examples.

Brick-and-mortar Web sites. The Wells Fargo site is typical of many Web-accessible

1995

the fact that the company has been able to maintain a strong presence in the market, despite the challenges posed by the global economic downturn. This is a testament to the company's resilience and its ability to adapt to changing market conditions. The company's focus on innovation and customer service has been a key factor in its success, and it is expected to continue to grow and expand its operations in the future.

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"At the same time," he says, "people find it more comfortable with it than they do anything new." The other electric man, the year 2000

... something all but
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58 Bank & Investment Sales / Learning Series

16. Government officials, including the President, should be prohibited from using the Internet to communicate with the public. The President should be required to communicate with the public through the White House press secretary.

the big name change. The FDIC was renamed as of April 1999, largely due to the fact that all FDIC-insured institutions were rated by the FDIC, regardless of whether they were FDIC members or not. The FDIC's new name, the Federal Deposit Insurance Corporation, was chosen to reflect the fact that the FDIC would now be responsible for supervising all FDIC-insured institutions, not just FDIC members. The FDIC's new name was chosen to reflect the fact that the FDIC would now be responsible for supervising all FDIC-insured institutions, not just FDIC members.

"I can remember when people were reluctant to use ATMs," Grimes says. "Now my kids think the ATM is the bank." □

Another way your money

[illegible]

1. **Bank** A description of account.
2. **Pay to the order of** Pay to the order of.
3. **Amount** Change written for account.

sent to each of your payees. NetBank takes over the process from there, sending out checks or making all-electronic payments, if

possible. You can stop or modify payment at any time simply by returning to this screen.

NetBank's online area also includes Requests link that lets customers order copies of canceled checks or new blank checks. Fees apply. You also can send secure E-mail messages to the bank.

One thing to keep in mind

when you work with any data, even though you may be doing the rest of the world isn't. You may not reflect checks you

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*One thing to keep in mind
when you work with any bank online is that
even though you may be banking at the speed of light,
the rest of the world isn't. Your online account balances
may not reflect checks you've recently written.*

Banking Sites

On The Web

Use The Internet To Find The Information You Need

Online banking is exploding. Leading technology research firm, International Data Corp. (IDC), estimates that the number of banks in the United States alone offering Web-based banking services will increase from 1,150 in 1998 to more than 15,845 in 2003, which is 86% of all U.S. commercial banks and credit unions. The number of household banking online is soaring as well; IDC estimates they will increase from 7 million to 32 million over the same period.

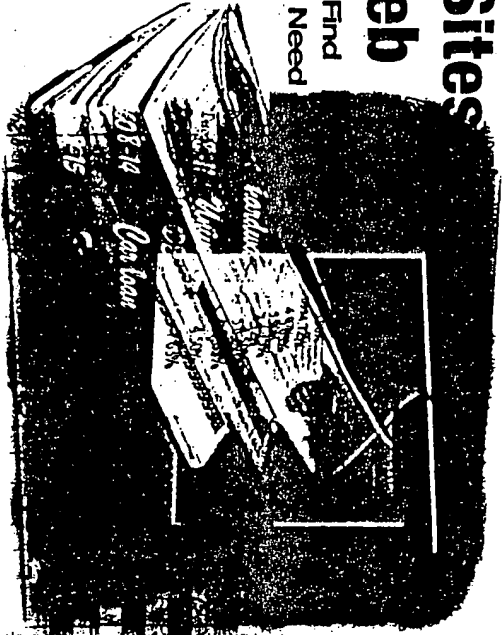
Today, virtually every major bank has a Web presence. Many offer some form of online information, even if it's only in the form of your daily balance. If you are considering banking online or simply want to use the Web to gather general banking information, you'll find a wealth of commanding resources at your disposal.

Here, we're offering a round-up of our favorite sites. These are places where you can learn how online banking works, scrutinize the financial stability of your bank, and even see which banks are buying out their brethren. From breaking news to breaking even, our sites have got the banking tiger by the tail.

We've listed the sites in alphabetical order for easy reference. Our sidebar, "Looking For: McGood Bank," provides a breakdown of the best sites categorized by information. We also included a list of chat rooms, newsgroups, and message boards.

American Bankers Association (ABA)

The home page of the largest banking trade association in the country offers a tremendous amount of information for bankers and consumers alike. Do you want to protect your Social Security contribution? How about calculating a mortgage payment or seeing how much your salary will buy in another city? All of these calculators and many more are available in the



personal finance section (<http://www.aba.com/aba/wwwsiteofinterest/print.asp>).

The ABA's Education Foundation (<http://www.aba.com/aba/AboutABA/Edu-Fund.asp>) can connect you to classes on financial planning, teaching children about money, and other finance-related topics, while the Research/Surveys section (http://www.aba.com/aba/ConsumerConnection/ss_menu-graph.asp) can enlighten you about rates of credit delinquencies, consumer payment preferences, and even the demographics of the average bank customer. This is one of the most comprehensive banking information sites we found on the Web. Not a resource for locating or evaluating banks, but rather for gaining relevant knowledge and assistance.

<http://www.aba.com/aba/AboutABA/homepage.asp>

BadBanks

Before you sign on the dotted line for your new bank account, you may want to check out this site. BadBanks is actually an online forum for people who believe they have been mistreated by their banks. There are a few comments by bankers in support of their policies, but the majority of the posts are horror stories relating to one of the 25 banks listed on the

site. (Posts are organized by bank for easy identification.) You can also submit your own horror story, and if they like it enough, they'll give you your "Worst Bank Award."

BadBanks's creators are trying to create an Excellent Banks section, which they plan to do once they have collected enough data. Unfortunately for the good banks, an unwritten law of customer service, which dictates that customers will spend more time complaining than complimenting, appears to be at work here. Naturally, another possibility is that there are no good banks, but we sincerely hope that's not the case. At any rate, there is no Excellent Banks section to praise as we go to press. This is a good cautionary site, although stories should not necessarily be taken as gospel. These opinionated stories are highly subjective in nature and are not corroborated before being posted.

<http://www.badbanks.com>

The Banking Center

This robust site, which is part of an even more comprehensive Cyberinvest online finance resource center, features two must-read articles dealing with online banking. One details general information and background, but the other offers success strategies for the expert user. After completing these readings,

proceed to the Banking Center's frequently updated and information-intensive Guide To Banking, which details services and fees for all the major online banks. Presented in chart format, the information is easy to understand and evaluate. The chart is followed by a standard disclaimer stating that accuracy is not guaranteed, and bank offerings can change daily, so you should double-check the information before making a final decision. However, you can still obtain a pretty good idea of what's out there from this resource.

The site features an equally helpful Interest Rate Guide. Rather than try to keep rates current on the site itself, this guide offers links to Web sites where rates are quoted and a chart detailing which sites handle what rates. The Banking Center is a solid resource for comparison shopping and background information.

<http://www.cyberinvest.com/guides/banking.html>

Bank.com

This developing resource, which is an outgrowth of its parent site at <http://www.stocks.com>, promises to become "a one-stop Internet Source for all your banking needs" in the near future. Whether you want to apply for a credit card, a loan, or an online checking account, Bank.com asserts that it will be able to handle your request by submitting it to a number of member banks for evaluation.

The site's creators say it will be up and ready for business in the near future. However, in the meantime, the parent Web site offers a well-defined search engine with "Banks, Mortgages, E-money" as one of the search categories. We feel that Bank.com has plenty of promise that has yet to be realized.

<http://www.bank.com/bank>

Bankrate.com

This is our favorite banking information Web site. Use the specialized search engine to check rates and fees on a variety of products, from ATM fees to online banking charges, at 3,500 institutions in 35 major cities. Find out if your bank is financially sound using Bankrate's free Site and Sound service (http://www.bankrate.com/bnm/site-sound/ss_home.asp), which rates banks based on their reports to the Federal Deposit Insurance Corporation. This powerful resource allows you to search by bank, state, asset size, ZIP code, or ranking thereby helping you to identify banks that fit a certain criteria. Once you've selected a bank, you can

also view a report detailing Bankrate's findings and the bank's financial reports.

Other resources on the site are equally valuable and include an E-mail newsletter, breaking banking news, educational archives, an online banking dictionary, and a current and comprehensive list of Internet banking deals. The site even has a humorous side-taking a light-hearted jab at the proliferation of cable channels with a suggestion for C-SPAN, or "All Greenspan, All the Time."

This is the absolute must-visit site for information on banking that features a wealth of resources not found elsewhere on the Internet.

<http://www.bankrate.com>

BankSite

Billing itself as the "Bank Directory and Consumer Banking Guide," this site is a motley assortment of bank directories, calculators, banking-related links and tips on credit and finance. The U.S. bank directory is organized by state, but you'll probably prefer the more localized directory offered on the National Information site. Other features of this BankSite include a one-minute loan test, an investor's profile quiz, and a section specially designed for students.

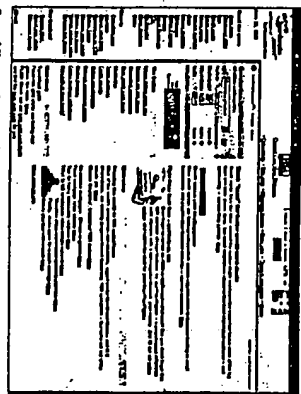
The interest rate monitor, which offers to find current interest rates by state, would have been one of our favorite features if it had worked. Unfortunately, it didn't. (In almost every case, a search by state returned no results.) We also liked the online Banking Forum, which is similar to a newsgroup and lets visitors post their questions and concerns regarding banking. When we visited, most of the posts related to getting around CHED systems, which is the banking industry's credit reporting company. There were also posts on Internet security, bank routing numbers, and a number of bank and finance-related topics. Note that the forum is informal, and there are no experts on hand to respond to your inquiries.

Visitors are encouraged to sign in (in other words, provide personal information so BankSite can send you E-mail), but registration isn't required to access any of the site's features, including the forum. This site features an odd mixture of resources. Some of these are helpful, while others are worthless. It's a nice forum for anyone interested in peripheral banking issues.

<http://www.banksite.com>

BankWeb.com

BankWeb is precisely what its name implies. It is a Web of bank and bank-related links. It claims to have "the most comprehensive directory of banks on the Internet" and with 1,622 U.S. and 816 international banks listed, we didn't feel like arguing. BankWeb also offers a comprehensive list of banking organizations and agencies, including Federal Reserve Bank branches and state associations, for those who



One of the most comprehensive banking sites on the Internet, BankWeb.com tracks rates at 3,500 institutions nationwide, provides Ticker updates, and much more.

want more information on banking in their particular area.

The site's creator, RIE Communications, Inc., missed an opportunity to make BankWeb more valuable by including a search engine. The ability to search for keywords, such as "Internet banking" or "online bill payment," among this exhaustive list of institutions, could go a long way in helping visitors locate a suitable bank for their needs. One can always hope for an improvement, but this site is mainly valuable as a means of locating a particular bank or bank-related Web site. Bookmark this site for its numerous lists, but don't expect much else from it.

<http://www.bankweb.com>

CNN Financial Network

CNN's name has become practically synonymous with news since its Gulf War coverage brought it into public prominence. The

channel operates a spin-off financial-news cable channel called CNNfn, which is CNN's online presence. Not to be taken lightly, CNN's online presence is stout and offers a broad spectrum of industry news and information. Most of the bank-related resources are in the Personal Finance section, which includes a month's worth of news articles with frequent links to other stories. Also included are a bank rate search engine and links to all of the main site's other sections.

We found the bankrate-sponsored search engine, bankrate.com, to be quite useful. It would appear that users can search for the best rates by state or major city. In reality, the tool only presents national or state averages for any of a dozen bank products, or it lists the five largest banks for any listed city.

More helpful is the Tips And Tools area in Personal Finance (<http://cnfn.com/market/personalfinance/tips/tools>), which offers a handful of calculators and search tools. This is probably the best site for breaking banking news. There is a nice archive of banking information and advice available for

personal, but we recommend going elsewhere to locate a new bank.

<http://www.cnfn.com/market/personalfinance/banking>

Congressional Banking Committees

The Senate Committee on Banking (which is officially known as The Committee on Banking, Housing and Urban Affairs), and the House Committee on Banking and Financial Services are charged with evaluating all proposed legislation, messages, petitions, and other matters relating to, among other things, banking. Federal monetary policy, credit, and deposit insurance. As such, these standing committees' members exert considerable influence on the direction in which the financial winds blow in this country.

Their Web sites aren't exactly overflowing with information, but they do offer a variety of resources. The Senate's site is the best informative, with information mainly on current legislation and links to other Federal banking and finance-related sites. For the researchers among us, it does offer a direct link to the

Library of Congress' legislative search engine (<http://thomas.loc.gov/>).

The House Committee's site is a bit more extensive and offers transcripts of hearings, a Federal budget overview, and a variety of layman-friendly press releases on Federal banking issues. This is a great resource for the banking novice. Have a look at these sites to familiarize yourself with the government's involvement in banking issues as a whole.

<http://www.senate.gov/banking/cmfinfo.htm>
<http://www.house.gov/banking/>

Consumer News

Sponsored by the Federal Deposit Insurance Corporation (FDIC), this consumer information site is a one-stop-shop for consumer protection advice and information as it relates to banking. The site's main page offers a laundry list of "items of information to the general public"—it's also just the tip of a very helpful iceberg.

Select the link entitled Suspicious Internet Banking, and you'll be given the opportunity to report suspicious banks, search for legitimately

chartered institutions, and review special alert letters regarding unauthorized banking operations. Click through to the Search Engine, and then to the link titled Web Sites, and you'll have access to an assortment of data not listed on the site, including demographic data and financial profiles for each FDIC-insured institution.

Click on the Banking News button at the bottom of the page, and you'll have access to the same FDIC information of which bankers avail themselves. This includes emerging trends, fraud alerts, and press releases (with a number of informative Y2K updates). These are merely examples of the vast array of resources available on this site, which extend well beyond the apparent scope of the FDIC to a number of peripheral topics. You can, for example, view reports on national and local real estate trends on this site. This is an amazing resource for a broad spectrum of topics and a great place to check up on the stability of your new bank.

<http://www.fdic.gov/consumer>

Electronic Banker

Like many banking sites, Faudner & Gray's Electronic Banker Web site is designed primarily to attract banking professionals. As a result, many of its sections have little to offer the normal consumer, unless he or she is particularly interested in falling crop prices or the state of banking in Philadelphia. One area that is of considerable merit is the NewsWire, where articles relate specifically to the banking industry and not to industry-specific issues. Another valuable resource is the Industry Rankings section, which can be found for each of the site's sections, from community banking to online brokerages.

Whether you are curious about the importance of various trends in the banking industry (<http://www.electronicbanker.com/rankings.htm>) or would like to know whether Citibank or NationsBank has more online customers (<http://www.electronicbanker.com/seo/rankings.htm>), Electronic Banker has the statistics. Electronic Banker is a great resource for banking news and features interesting statistics on various banks and banking topics.

<http://www.electronicbanker.com>

Excite Money And Investing

Excite's banking section, which is sponsored by financial software industry leader Quicken, is probably the most comprehensive

of any of the portals we visited. The site is well organized and offers a nice assortment of options, including calculators, interactive tools, and current interest rates charts, which are updated daily. A handy feature of the main site is QuickAnswers, a mixture of banking FAQs, articles, and links to additional tools.

Once you move into the site's subtopics, your choices expand further. The Online Banking section (<http://quicken.excite.com/banking>), and credit/online banking offers straightforward advice, news, and related articles and, predictably, a demo of Quicken's new online bill-pay product. More to the Checking And ATM's section and you'll be able to view an in-depth article on choosing a bank.

Final noteworthy features of the site are the neatly organized Top Picks section, with links to other finance sites, as well as the Money and Investing Forums, which cover a variety of topics. To participate in a forum, you'll have to become an Excite user, but this is a quick and painless process. Overall, this is a nice general banking site with a decent

body of reference material.
http://quicken.excite.com/banking_and_credits

Gomez Scorecard

Scorecard is a general-topic Web site offering consumer satisfaction ratings on a number of products and services, from online auction companies to Internet travel agents.

The Personal Finance section is where you'll find the Internet bank rankings, which include categories such as ease of use, customer confidence, overall cost, and on-site resources. You can also choose to view bank rankings by profile. For example, you can view by the type of customer, such as a saver, borrower, one-stop shopper, or Internet transactor. A final option lets you see all banks ranked alphabetically with a list of their rankings in all criteria.

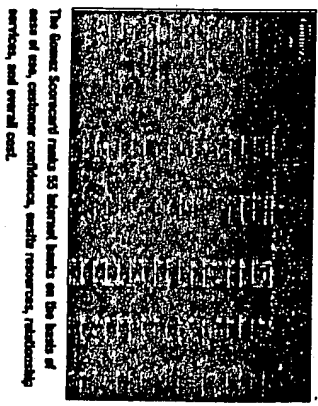
Are the rankings reliable? According to methodology information posted on the site, Gomez assembles its rating information through direct examination of the site, a questionnaire, and telephone interviews (with the brokers and customer service representatives). In other words, Gomez didn't

interview thousands of consumers to obtain these figures but rather applied their own judging criteria to the information gathered from the banks. Even so, the founders of the site are recognized experts in the fields of finance and technology. As a result, their opinions, while subjective, should be reliable since they are based on a solid knowledge of the topic at hand. This is a don't-miss destination for anyone shopping for banking services.

<http://www.scorecard.com/Finance/Banks/Scorecard/index.cfm?cat=1>

National Information Center

This Web site is sponsored by the Federal Financial Institutions Examination Council (FFIEC), a "formal interagency body empowered to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions." The NIC site provides a compendium of information about domestic U.S. banks from asset



The Gomez Scorecard ranks 55 national banks on the basis of ease of use, customer confidence, on-site resources, and overall cost.

and revenue reports to lists of bank holding companies and information regarding acquisitions.

Much of the information presented here may be too detailed to interest the casual banking customer, but if you want to familiarize yourself with the inner workings of the people who hold your very hard-earned finances, this is a great place to start digging. The site also lets visitors search for institutions by metropolitan statistical area (city) and county while most other sites provide breakdowns only by state or region. The National Information Center is an excellent resource for very in-depth information on performance and activities of banks in the U.S. It provides powerful evidence of our tax

LOOKING FOR A NEW BANK?

1 Step 1: Pick a bank. **2** Step 2: Compare rates. **3** Step 3: Open an account.

Some banks are better than others. We've done the hard work for you. We've ranked 55 of the nation's largest banks on the basis of ease of use, customer confidence, on-site resources, and overall cost. You can also choose to view bank rankings by profile. For example, you can view by the type of customer, such as a saver, borrower, one-stop shopper, or Internet transactor. A final option lets you see all banks ranked alphabetically with a list of their rankings in all criteria.

Are the rankings reliable? According to methodology information posted on the site, Gomez assembles its rating information through direct examination of the site, a questionnaire, and telephone interviews (with the brokers and customer service representatives). In other words, Gomez didn't interview thousands of consumers to obtain these figures but rather applied their own judging criteria to the information gathered from the banks. Even so, the founders of the site are recognized experts in the fields of finance and technology. As a result, their opinions, while subjective, should be reliable since they are based on a solid knowledge of the topic at hand. This is a don't-miss destination for anyone shopping for banking services.

<http://www.scorecard.com/Finance/Banks/Scorecard/index.cfm?cat=1>

dollars at work to promote better consumer education.

Online Banking Report

A quick click will take you to a list of the 100 largest banks, with links to their Web sites and a notation as to whether they provide Internet banking services. (OBR's statistics aren't as current as those of the NRC—use this resource to identify Internet banks rather than to determine their financial standings.) You can also peruse the lists of true U.S. and foreign Internet banks, or rather those which actually provide banking services over the Internet instead of simply maintaining an Internet presence.

Y2K Newswire

This information-rich Web site is mostly dedicated to the Year 2000 problem and has special sections on Y2K banking issues. The site lists as its sources a number of major public site lists as well as numerous contributors from libraries, plus anonymous contributors from the Federal Reserve Board, state governments, banks, and other public agencies. As a result, the site's owners assert they offer the "hard-core truth" about the Y2K outlook which they proclaim to be significantly less sanguine than governments and corporations are letting on.

Y2K Newsletter offers a free newsletter, too. Signing up for it gives you access to three interesting bank-related reports: *The Bank Blame Game*, which criticizes the banking industry's attitude toward increasing cash reserves; the *FDIC Chart*, which talks about the Federal Deposit Insurance Corporation's operating strategy and funds available to cover failures; and *Bank Returns*, a look at how banks store and use your money.

64 Bank & Investment Sites / Learning Series


Specific banking issues discussed while we were on the site included an in-depth projection of the potential fallout if 20% of Americans with

draw their money paid to December 31, 2003. If you are concerned (and you probably should be), about what could happen to America's financial reserves when the year 2000 rolls around, you'll want to check out this site. Y2K-Newswire is an excellent source for worst-case and scenario information on Y2K bank failures, and it provides good general information on the structure of the banking industry in general.

<http://www.y2knewswire.com>

<http://www.y2knewswire.com/W-Repbankingpanic.html>

We didn't spend much time evaluating banking sites sponsored by portals, since they consist mainly of links to other sites, including the ones we cover here. We thought Yahoo's deserved mention, however, because in addition to the usual rate calculators and news links, Yahoo

Depending on how much information you need, you may visit all of the sites presented here, or perhaps you'll stop in at only one or two. Some information is duplicated from one site to another, but all of these sites have their own individual merits. No matter how much you spend, we can promise that you will learn something new about banking. 

by Jennifer Farwell

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(<http://www.dejanews.com>).

the Internet's number one mortgage search site, lists thousands of posts containing the word "bank," but only a few finance-oriented groups relating to banking. Most of these had few, if any posts. You'll have better luck in the online banking

Bankista
Active banking forum with several hundred posts in the past few months.
<http://www.bankista.com/>

wwwboard

back in the online banking

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Finding

An Online Bank

How To Locate The Best Bank For Your Financial Needs

About 7 million Americans conduct at least some of their banking business through the Internet,

according to FND/SVT (<http://www.findsvt.com>), a consulting and research service. Although that

amounts to only 8% of U.S. households, FND/SVT expects the

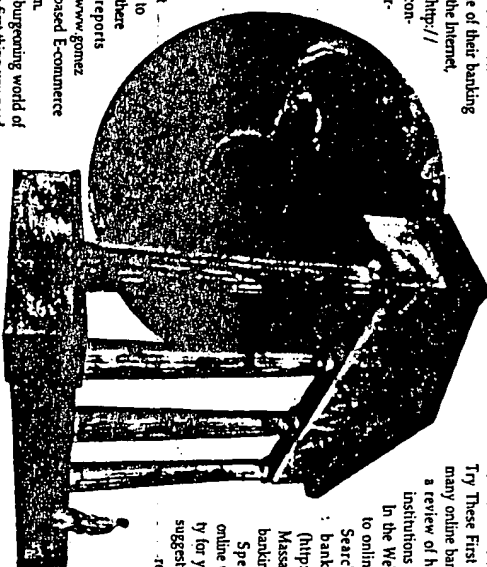
number of online banking consumers to jump to 16 million households by 2001.

Accordingly, we can expect the number of financial institutions that offer online transactions to grow, as well. Presently, there

are about 400 banks, reports Gomez Advisors (<http://www.gomez.com>), a Massachusetts-based E-commerce and financial advisory firm.

If you want to join the burgeoning world of Internet banking, then the first thing you need to do is find an online bank. The fastest way to do that, of course, is to search the Web. But even then you can run into some dead ends. The following search tips and Web sites should hasten your hunt.

■ A Conventional Search. Online banks are similar to banks in the physical world in two regards. First, not all banks offer the same services. Second, many banks (yes, even online banks) only serve customers in certain geographical locations. So, before you turn to a Web search service such as Yahoo! (<http://www.yahoo.com>) or Excite (<http://www.excite.com>) to find that ideal online bank, determine what services you want the bank to offer. Then, decide whether you are willing to bank with an institution that isn't in



We had more luck perusing Yahoo's categories. Under Business & Economy, we chose Companies, Financial Services, Banking, and finally Internet Banking. That gave us an alphabetical list of hyperlinks to the Web sites of dozens of online banks in the United States and other countries. The downside to this list, however, is that the physical location of the bank may not be apparent without clicking the link.

Our search with Excite was similar to the one with Yahoo!, except the results were broken down into helpful categories. Under the Try These First results, there were links to many online banking-related sites, including a review of how the top online financial institutions compare with one another.

In the Web Results category, the links to online banks, like in the Yahoo! Search, were mostly to the big banks, such as Salem Five (<http://www.salemfive.com>) in Massachusetts, a pioneer in online banking.

Specific searches. If banking online with a local bank is a necessity for you, then try one of these two suggestions. First, even if your current bank doesn't offer online services, type its name in the search field and click Search. We tried this with Yahoo!. It returned the Web site of our bank and links to the Web sites of several more banks in our state (in this case, Nebraska).

Second, try searching for banks plus the name of your city and/or state. Or, better yet, type online banks or Internet banking along with your city or state.

■ Bank Directories. As mentioned, our searches on the Web turned up many sites related to online banking. By jumping from link to link, we found a few sites with lists and links to online financial institutions around the world. If a conventional search engine doesn't help you find the ideal online bank, then try these sites:

AAAdir World Banks

At this directory of banks and credit unions, you can conduct searches for institutions in the United States and around the world. There are basically two ways to search. First, on the home page, choose a country from the more than 100 choices on the scrollable list. (NOTE: For the United States, you can narrow your search to either banks or credit unions.) If you choose the United States, you'll next need to pick a state or search for bank names by their first letter. It's probably best to search by state, but the downside is that banks are listed alphabetically by name and not grouped by city.

In both the state and first-letter lists, you can click the institution name to visit its Web site. Also, if the bank offers online banking, this list will tell you. This is nice because you won't have to click a link only to discover the bank doesn't have what you're looking for.

If you already know the name of the bank, you're inquiring about, this is the best way to search in AAAdir: click Search on the home page, type in the bank name, choose the country and state, if necessary, and click Submit Query.

<http://www.aaadir.com>

Bank Directory & Consumer Banking Guide

This Web site is similar to AAAdir, with directories for both United States and international banks, which you can access via the Worldwide Bank Directories link on the home page. We appreciate that each state has its own directory in the U.S.A. Bank Directory; it makes searching for a local bank much faster. Simply select a state from the drop-down menu or click the state on the U.S. map.

In each state directory, you will see an alphabetical list of all banks, with links to the banks' Web sites. However, there is no way to tell whether the institution has online banking without visiting its Web site.

<http://www.banksite.com>

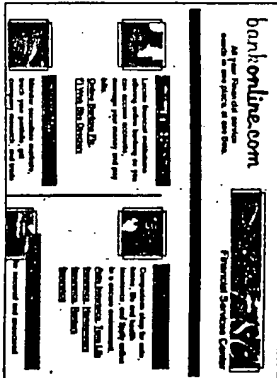
Financial Services Center

All the banks, credit unions, and savings and loans we viewed through this site do offer online banking. On the home page, click the Online Banking link under Banking & Bill Payment. Next, click one of three U.S.

regions: Western, Central, or Eastern. The next page will display an alphabetical listing of banks and an indication of the states in which they are based.

Click a bank logo to get a link to its Web site, plus vital information, including restrictions. For example, the State Central Credit Union of Wisconsin only does business with customers residing in the 11 listed counties in the dairy state.

Back on the home page, click the FI Web Site Directory link to view a simple list of



Not every bank listed in a Web-based bank directory offers online banking, but the institutions listed with the Financial Services Center Web site all offer online banking.

online institutions around the world, with links to their Web sites. We suggest bookmarking this list so you can check periodically to see if the site has added more banks.

<http://www.bankonline.com>

InvestorGuide

Click the Online Banks link to view more than 100 financial institutions that offer online banking, including a few that are only Internet-based, such as NetBank (<http://www.netbank.com>). The banks in this list are in alphabetical order, and each name acts as the hyperlink to the bank's Web site.

Other links on InvestorGuide's Banking page provide a wealth of information. The Best Online Banks link takes you to *SmartMoney* magazine's list of the top 15 Internet banks. The Best Banks link has a collection of articles to help you find good banking deals. The Credit Unions hyperlink gives you a link to the Credit Union National Association Web site (<http://www.cuna.org>), which in turn has a search mechanism for online credit unions.

<http://www.investorguide.com/Banking.htm>

Online Banking Report

This site is the Internet supplement to the monthly newsletter (of the same name) for professionals in the online banking industry. But you don't have to be one of them to take advantage of the information offered here, especially if you do business with a big bank, such as Citicorp (<http://www.citicorp.com>) or Chase (<http://www.chase.com>).

On the home page, click the 100 Largest Bank Web Sites hyperlink. Keep in mind that not every one of these banks offers Web-based account access; look to the far right of the list to see if it does. Then, simply click the name of the bank to open to its Web site.

Smaller financial institutions have a presence on this site, as well. On the home page, you will find links to "true" Internet banks in the United States (there were 375 when we visited) and around the world, plus "true" Internet Credit Unions. (Online Banking Report defines "true" Internet financial institutions as those that allow their retail customers to make transactions online, not just access account information.) You might want to bookmark these lists, which the site updates weekly.

<http://www.onlinebankingreport.com>

■ Check The Score. Once you find an online bank that appeals to you, it would be wise to double-check its claims with the government. Head to the home page of the Federal Deposit Insurance Corp. (FDIC, <http://www.fdic.gov>). Once the site opens, click Bank Data, Institution Search, then Search Institutions. Type in the name and location of the bank to verify that it is indeed FDIC-approved. The FDIC will also provide you with a run-down of its assets, liabilities, and much more.

Another safety check is the Internet Banking Scorecard, which you can find at the Gomez Advisors' Web site (<http://www.gomez.com>). Click Internet Banker Scorecard on the home page to see a ranking of the top 20 Internet banks (you can view all 55 of the ranked banks, too). Gomez Advisors judges banks on several factors, including ease of use, cost, and customer confidence. **■**

by Rachel Drenth

Working With Online Banks

Explore Your Options Online Before You Get Back In Line For Your Local Teller



The days of visiting a traditional brick-and-mortar bank to wait in line at a teller window or chat with a customer service representative may be numbered. According to an article in *The Washington Post* (June 2, 1999), while only 3% of U.S. households presently use online banking, the number of households that cyberbank is expected to grow to 20% over the next two to three years. Rising demand results from an increased number of Internet banks offering above-market interest rates on deposits to snag new customers, easy transfer of funds among accounts, convenient electronic bill paying, plus nationwide access to automated teller machines.

With a computer, Internet access, and a checking or savings account at an online-friendly bank, such as BankOne (<http://www.bankone.com>), Wells Fargo (<http://www.wellsfargo.com/home>), Citibank (<http://www.citibank.com>), or NetBank (<http://www.netbank.com>), there's no need to brave traffic trying to reach the bank before it closes. With a few simple keystrokes, you can conduct banking business or view account activity from your personal computer, in the privacy of your home or office, night or day, seven days a week. In the future, more and more neighborhood walk-in banks will close to cut costs, and they'll be replaced by centralized cyberbanks.

Technology for online banking has been available for more than a decade, but its popularity is a recent phenomenon. In the early days, there were fewer personal computers. Most users lacked Internet access, and those that had it were concerned about electronic privacy and security. In addition, financial institutions providing online services often relied on awkward, proprietary software that customers found difficult to use.

In 1996, according to an article in *TheWallStreetJournal*, only 38% of the top 150 banks in the United States offered PC-based home banking services. Today, almost all of them do. Thanks to the application of stronger encryption techniques resulting in heightened security, plus the user-friendly graphical interface of Internet browsers, such as Netscape Navigator and Microsoft Internet Explorer, online banking is simple and requires just a few easy steps. You don't even have to go to the expense and trouble of buying software or downloading new applications.

Customers can view and print their account details, verify deposits and withdrawals, and confirm checks have cleared for all their accounts at the particular financial institution. They can transfer funds between linked accounts and take advantage of the bank's bill-paying service. Many banks offer free online banking and some charge a fee when adding automatic bill paying. A few, such as Citibank, even allow you to download deposit account data into your personal financial management software (for example, Intuit's Quicken) so you can easily manage your finances and use this information to complete your taxes.

■ What You Should Expect. Online banks have a variety of service and fee structures. Before setting up an account, pinpoint exactly what a bank provides and what it charges. Some questions to keep in mind include:

- Will you need additional software to bank online? If so, how much does this software cost?
- What kind of trading and reporting system does the bank use so you can review account balances, deposits, withdrawals, and bank charges?
- If you have more than one account at this bank, what must you do to transfer funds from one account to the other? Are there any charges for these transfers?
- Does the bank charge a setup fee? What are its monthly statement fees? Are there other hidden charges? When does the bank charge your account?

• Are initial interest rates only temporary "teasers"? If so, how long do they last and what happens later?

• How do you make deposits if there isn't a branch office in your area?

• How soon after you make a deposit are funds available to your account?

• Are transactions (deposits or withdrawals) subject to a bank "discount" rate? That is, is a processing fee or percentage of each transaction retained by the bank? If so, what is this rate?

• Will you receive regular E-mail messages notifying you of service changes or updates?

• What kind of security safeguards your online transactions? For example, Citibank's online banking service requires that your browser supports "strong encryption" (128-bit) because it employs 128-bit encryption technology (a method that uses millions of "key" combinations to scramble and decode data sent to and from a Citibank computer). If you use a browser with 40-bit encryption, the data you send and receive is considerably less secure. Citibank also requires you to enter a personal identification number (PIN) whenever you sign on. In addition, your login automatically times out after seven minutes of account inactivity to prevent unauthorized access.

• Does the bank insure your account from online theft? What is the maximum amount you can have in each account and in all accounts to be eligible for this insurance?

• If the bank offers automatic bill paying, how much lead time should you allow for payment to reach the payee? In other words, when does the bank debit your account and credit the recipient? Standard procedures typically set the payment date at least five business days in advance of the due date to allow for processing.

• In the event of a technical problem, a duplicate transaction, or sending payment to the wrong merchant, what must you do to correct the problem?

• Is there a charge for closing the account? What else is involved in closing an account?

• How do you contact customer service at this bank? Can you speak to a real person if necessary?

• Is international access available if you need it?

■ Setting Up An Account. If you already have an account with a local bank, check with customer service to see if a Web-based banking service is also available. It may not take much to set up an online account if you have an existing account. If your bank doesn't provide online banking facilities, shop around. Internet-based banks eager to build a deposit base may advertise interest rates considerably higher than those offered by brick-and-mortar financial institutions that provide the same online facilities.

To see an example, head on over to the Citibank home page. Click Online Banking, click your country of choice, then click Direct Access.

Right now, there are no monthly service charges or transaction fees for Citibank's Direct Access, but Citibank reserves the right to charge a fee at any time. The company will notify you of any changes by E-mail or by sending a letter to your mailing address. In addition, withdrawals from savings accounts and transfers processed through Direct Access are limited to six per month. However, transfers initiated to make Citibank credit account payments are not subject to this limitation.

To set up a new account, click Online Banking on the Citibank home page, select your country, and then click Direct Access. Next, click either the Click Here link or the Open An Account button in the table of contents on the left side of the screen. You can complete an online application or click an E-mail link to send an electronic query to the bank with your name, phone number, and the time you can be contacted by phone so a customer service representative can contact you for the application details.

Citibank lets you deposit money in your online account in one of two ways, either by direct deposit (your employer must set up the account) or by mail-in deposit via the U.S. Postal Service. You can pay bills in one of two ways, as well: either by writing conventional checks or by taking advantage of Citibank's free bill payment service.

When you choose electronic bill payment, Citibank will send the payments you authorize to anyone online, handling these payments in one of three ways: Electronic Funds Transfer, Individual Bank Check, or Consolidated Bank Check. If you elect to pay through Electronic Funds Transfer, funds are transferred via computer. This electronic

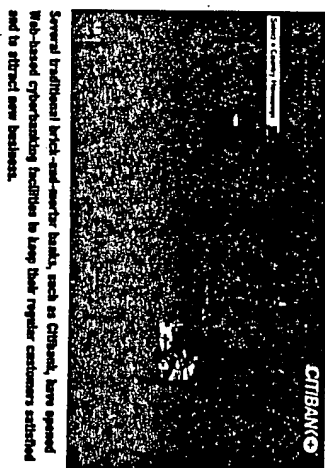
determine if deposits have posted or checks have cleared. Payments & Transfers allows you to pay bills, send checks, and transfer funds among your linked Citibank accounts. Investment Services (which markets financial products that are not FDIC insured) enables you to get stock quotes and buy or sell securities. Information Center provides data on the latest loan rates and financial markets. Customer Service lets you communicate with a Citibank representative, change your PIN, or order checks.

Right now, there are no monthly service charges or transaction fees for Citibank's Direct Access, but Citibank reserves the right to charge a fee at any time. The company will notify you of any changes by E-mail or by sending a letter to your mailing address. In addition, withdrawals from savings accounts and transfers processed through Direct Access are limited to six per month. However, transfers initiated to make Citibank credit account payments are not subject to this limitation.

To set up a new account, click Online Banking on the Citibank home page, select your country, and then click Direct Access. Next, click either the Click Here link or the Open An Account button in the table of contents on the left side of the screen. You can complete an online application or click an E-mail link to send an electronic query to the bank with your name, phone number, and the time you can be contacted by phone so a customer service representative can contact you for the application details.

Citibank lets you deposit money in your online account in one of two ways, either by direct deposit (your employer must set up the account) or by mail-in deposit via the U.S. Postal Service. You can pay bills in one of two ways, as well: either by writing conventional checks or by taking advantage of Citibank's free bill payment service.

When you choose electronic bill payment, Citibank will send the payments you authorize to anyone online, handling these payments in one of three ways: Electronic Funds Transfer, Individual Bank Check, or Consolidated Bank Check. If you elect to pay through Electronic Funds Transfer, funds are transferred via computer. This electronic



Several traditional brick-and-mortar banks, such as Citibank, have opened Web-based cyberbanking facilities to lure their regular customers' selected and to attract new business.

Banking

check includes payment information, plus your account number with the payee, but you cannot attach any personal memos. Alternatively, Direct Access can send individual bank checks via regular mail. You authorize the bank to issue payment and the bank mails the check. Payments sent in this way can include memos. Using the Consolidated Bank Check option means Citibank issues one check to a particular merchant, but the amount reflects payments for several Direct Access users having an account with that merchant.

When you direct Citibank to pay your bills, the bank removes funds from your account on the date the payment is scheduled to be sent, not the date the payee receives and processes the payment. Payments may be for as little as \$1 and as large as \$10,000. They can be sent only to payees in the United States and U.S. territories. The bank will not authorize payment to government agencies such as the IRS.

Citibank accounts eligible to serve as source accounts for electronic bill paying include: Checking, Interest Checking, Basic Checking, and Business Checking. The bank automatically enrolls you for the service if you have a Citicard, PIN, and an eligible account. To set up a list of payees who will receive payment, click the Payment & Transfers channel on the Direct Access home page; choose Payee List, then click Add Payee to create a list of payees. When you're ready to make a payment, click the Payments & Transfers channel, click Bill Payment, select Make A

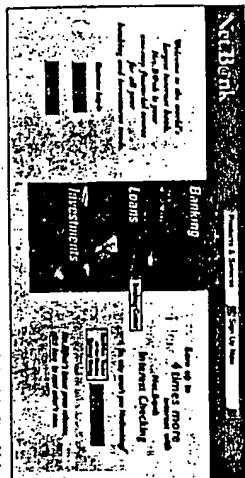
Payment, choose a payee from your list, select the account from which to draw payment, enter the amount you want the bank to pay, and then click Make Payment. You can have the bank make several payments or you can set up a recurring payment schedule so the bank automatically pays your fixed monthly bills at a time you decide. When you use Citibank's Direct Access banking facility, your browser's Back and Forward buttons are disabled to maximize security and keep track of your transactions.

70 Bank & Investment Sites / Learning Sites

To move money from one account to another, click Payment & Transfers, click Transfers, and then click Make A Transfer. Next, click the source account, enter a date for the fund transfer, enter a transfer amount, and then pick a destination account. Transfers made before 11 p.m. are posted the same business day. You can have Direct Access transfer funds immediately, on a date in the present month, or a date in the next 12 months. You also can set up recurring transfers that happen weekly, biweekly, monthly, quarterly, semi-

annually, or annually. The transfer function comes in handy when paying credit card bills because you can make transfer payments to Citibank credit card accounts with funds moved from your Citibank checking or savings account.

■ The Best Sites. Citibank isn't the only financial institution using the Internet as a banking service delivery channel. NetBank, which bills itself as the "Toughest Federally Insured and First Profitable



NetBank, which bills itself as the "Toughest Federally Insured and First Profitable Internet-only bank," offers higher interest rates on traditional checking accounts than conventional banks.



America Online offers subscribers extensive personal finance options listed by tabs.

Internet-only bank" also is a major player. You can set up traditional checking, money market, and certificate of deposit accounts. You also can take advantage of the bank's lending products, such as credit cards, ATM cards, mortgage loans, and small-business loans.

NetBank's ATM card provides access to your funds from any nationwide ATM displaying the Citrus or Honor logos. There is no NetBank charge for using the ATM card, but the owner of the ATM may assess a fee. NetBank's Visa Check Card may also suit your fancy. Whenever you purchase an item using this check card, NetBank automatically debits the purchase amount from your checking account.

There are other benefits to using NetBank's online banking services. Because the bank works exclusively over the Internet, those lower overhead costs translate into more profitable returns, meaning NetBank's customers get higher interest rates on their deposits. Customers at traditional banks earn lower interest rates. For example, users who set up a NetBank NetValue checking account earn 3.05% annual percentage yield (APY) interest compared to less than 1% earned at many banks. In addition, there is no monthly service fee.

You can view NetBank account activity, such as deposits, withdrawals, and transfers, on-screen. NetBank also itemizes each account transaction on your monthly bank statement. As of press time, NetBank does not support Open Financial Exchange (OFX), which enables customers to download account information into personal financial management software such as Quicken or Microsoft Money. NetBank plans to offer support for OFX later in 1999.

NetValue and SuperValue Checking Account customers can take advantage of NetBank's free Online Bill Pay service, which allows an unlimited number of payments.

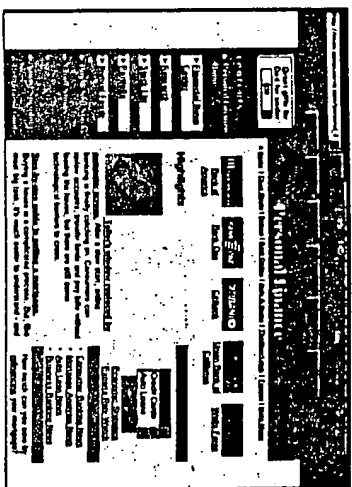
NetBank pays only those bills that you authorize on a date you specify. NetBank transfers payments from your NetBank account through the Automated Clearing House or the MasterCard® RPS network. If the payee does not have an electronic account, NetBank will send a check via the U.S. Postal Service. Like Citibank's online payment service, NetBank cannot be authorized to send tax-related or court-ordered payments.

The Online Demo provides information about NetBank's various online products and services. You'll find the link to this demo at the bottom of the Interest Checking Web page. Click it, log in (you'll be provided with a user ID and password), and then explore Account Summary options.

However, the demonstration is limited to information on Deposit Accounts, and not all Deposit Account information is available. For example, click the link to My Checking to view account transactions by date since the last statement. Transaction information may be sorted by type (interest or check), identifier number, description, withdrawal amount, or Deposit amount.

NetBank also provides information about interest earned on this account, but the PC Downloaded feature (support for OFX) is not available. A nice feature is that you can request paper copies of any check that NetBank sends. However, NetBank charges you \$5 for each such request. You also can use the links on this screen to order additional checks or envelopes. Screens and options for NetBank's My Money Market account are virtually identical to offerings available with My Checking account. To view certificate of deposit (CD) account information for your NetBank CDs, click the My CD link.

NetBank's interactive demonstration allows you to explore the bank's Funds Transfer options, which you can use to transfer funds from one NetBank account to another. Because NetBank prepares a list of all your accounts, selecting source and destination accounts is simple. Choose the source account from the drop-down list on the From field.



Like America Online, Compuserve offers online banking opportunities and advice.

Then, select a destination account from the To drop-down list. Enter the amount you want to transfer and click Request Transfer. You can explore several other service options in this demonstration. You can issue a payment request, set up bill payment for recurring items, modify a payment request, manage your payee list, stop payment, or view your payment history. You also can click Requests to contact customer service and request a copy of a single check or range of checks. Click Preferences to enter your E-mail address, fax number, and pager number and to configure the timeout setting for the present session (choices range from three to 10 minutes). The Tools link provides instant access to an interactive financial calculator.

Compuserve, offer their members extensive online banking options. Not only do they link subscribers to financial institutions offering online banking services but they also provide a wide range of useful information about online banking. For example, click AOL's Personal Finance channel, then click the Banking & Loans AOL Financial Center. You can find out more about online banking in general and explore AOL's personal finance consumer advocacy forums to make more informed financial decisions and better "cope with the real world of money." You also can link to NationsBank, BankOne, Citibank, Union Bank of California, and Wells Fargo. For online banking opportunities in your geographic area, choose your state from the drop-down State Banking Centers, then click GO. AOL provides a list of several "local" banking facilities. Double-click a bank in your state to visit its Web site and see what it has to offer. Every bank offers an interactive demo of its online banking service offerings.

Similar kinds of goodies are available through Compuserve's Personal Finance Channels. Click the Banking Center link, then scroll the list of options that display on the great page. As with AOL, you can link to several online banking opportunities, including Bank of America, BankOne, Citibank, Union Bank of California, and Wells Fargo. Or, you can scroll the list of personal finance offerings, then click the Internet Banking Deals link for the names of several financial institutions that offer special deals via the Internet. Each institution receives a Safety & Soundness rating (ranging from 1 to 5 stars) representing their financial condition. You'll also find information about the products it offers, present yield deals or rate changes, the minimum amount you need to have in your account, and the location of its head office. For more information about a particular institution, click its link or dial its phone number. [E]

by Carol S. Hatching, F.R.D.

■ Online Services. Online service providers, such as America Online (AOL) and

The Check's In The E-mail

Simplify Bills By Paying Them Online



When you cannot seem to come up with a system for remembering to pay your bills and tire of running around for postage stamps, turn to the Internet. Paying bills online may be the answer to some, or all, your problems. While the Internet won't magically increase the balance in your checking account to cover your transactions, it will help you keep track of expenses in a more timely and orderly manner.

Paying bills online is nothing new. Many banks have offered some form of electronic payment for several years, along with the online checking accounts and numerous other financial services mentioned elsewhere in this issue. According to one estimate, the average household will be able to track and pay about 25% of recurring debts online by the end of

customer ID and personal identification number (PIN). You are then presented with a list of payees, along with the amounts and dates due for each one. Then you indicate which outstanding bills you want to pay. That's the basic process.

Most systems accept partial payments as well as payments in full. In some cases, payments occur immediately or before the close of the current or next business day. In others, you get to indicate the date on which you want the payments to be made. You can often schedule regular automatic payments to be made when bills are due. This is more convenient than logging in to pay bills manually every month. For each bill you mark for payment, the appropriate amount is debited from your bank account and paid to that creditor, either by a paper draft equivalent to a personal check, or by direct deposit to its account.

Some systems present users with a facsimile of the actual bill, complete with graphics and billing detail. However, most display a brief summary of payees, dates, and amounts due. Users can click a particular bill for more details. A good example of this would be a list of long distance calls and other charges on your telephone bill, or usage amounts on utilities.

In some third-party systems, online bill-paying options are limited to a predetermined list of creditors with which that service has already established an electronic payment arrangement. In others, you can add to an existing list or define your own from scratch. This is achieved by having the user supply addresses, account numbers, and other necessary information. Payees designated by you, but who are not set up to receive funds electronically, will get a paper draft, which is equivalent to a check. Some systems save you time and effort by letting you define nicknames or abbreviations for particular payees. For example, typing "vet" may bring up the associated record for Campus Veterinary Clinic. All the data needed to identify you and properly credit payments is transmitted electronically with payment. This includes account numbers and data that appears on printed invoices typically returned with payments.

Some bill payment services are designed to be compatible with spreadsheet programs or personal financial management software such as Intuit's Quicken. This lets you download data and analyze it in a familiar program.

■ Real & Virtual Banks. Where can you go to pay bills online? Your local bank's Web site is a logical first stop, especially if you're already banking online or thinking about taking the big leap. If your preferred financial institution is committed to electronic banking, you've already received direct mail advertisements and inserts in your monthly statements. This is true of your phone company, local utilities, and credit card companies. If your bank hasn't yet succeeded in emblazoning its Web address in your mind, the Electronic Banking Association (<http://www.e-banking.org>) will help you locate it by ZIP code or state. The EBA site also includes background information and a step-by-step demonstration of how online bill payment works.

Several major U.S. banks are firmly behind the online bill payment concept. Bill payment is often integrated tightly with online checking, funds transfer, and other fundamental online banking operations. Check the personal, home, or electronic banking areas of the following sites for online bill payment examples and demonstrations:

Bank of America
(<http://www.bankamerica.com>)

Bank One
(<http://www.bankone.com>)

First Union
(<http://www.firstunion.com>)

Wells Fargo
(<http://www.wellsfargo.com>)

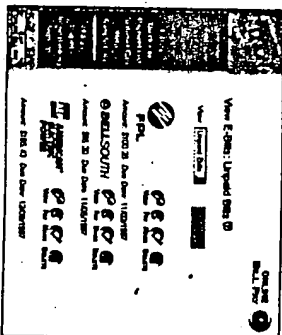
Internet-only banks—with offices in cyberspace instead of the brick-and-mortar world—are natural for online bill paying, since they already conduct most of their business electronically. First Internet Bank (<http://www.firstib.com>) is one of many Web-based banks that offer bill payment along with a full assortment of other online banking services. Other similar institutions, such as NetBank (<http://www.netbank.com>), provide an excellent Frequently Asked Questions (FAQ) list that addresses many general questions there might be about paying bills online. For a list of Internet banks worldwide, check out the Online Banking Report (<http://www.onlinereport.com/falder23.html>).

■ Other Bill Payment Options. Popular Web portals such as Yahoo! (<http://www.yahoo.com>), America Online (<http://www.aol.com>) and the Microsoft

Network (<http://www.msn.com>) are exploring the possibilities of offering online bill payment services. So are companies such as Intuit, which markets Quicken (<http://www.quicken.com>), one of the leading names in personal finance software. Brokerage firms such as Morgan Stanley Dean Witter (<http://www.dwdan.com>) and Charles Schwab (<http://www.myswills.com/schwab>) offer comprehensive bill payment services to their clients.

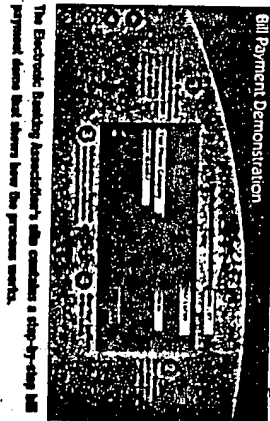
Individual creditors, such as utility, phone, and credit card companies, also have jumped on the billing bandwagon. For example, NUI Corp. (<http://www.nui.com>) lets customers of its Elizabethtown, N.J., gas company, City Gas Co. of Florida, and NUI Energy Inc., review and pay their bills online. Discover Card (<http://www.discover.com>) allows cardholders to look at current and past transactions, sort by date, description, or amount, and pay their bills online. Expect to see more retailers, consumer lenders, insurance companies, and financial service firms offering online bill payment options within the next year.

Many banks and other institutional bill payment sites actually use software provided by companies such as CyberCash (an electronic payment firm that's profiled more closely on <http://www.smartcomputing.com>), Princeton eCom (<http://www.princeton.com>), or so-called consolidators, such as CheckFree (<http://www.checkfree.com>) or <http://www.mylbills.com>, eBill. The



First Union Bank's site lets you review unpaid bills.

leading consolidator, CheckFree, works with more than 350 financial institutions as well as major utilities such as AT&T, PG&E, and BellSouth. CheckFree's Web site offers a list of participating banks that use its system. If your bank doesn't offer online bill payment, you can enroll in CheckFree's Web Billpay.



The Electronic Banking Association's site contains a step-by-step bill payment demo that shows how the process works.

Another consolidator, Transpoint (<http://www.transpoint.com>), a joint venture of Citigroup, First Data Corp., and Microsoft, offers bill presentation and payment for Con Ed of New York, GTE, and PECO Energy, among others, and promises more payees in the future. Other consolidators include BillpayNET (<http://www.billpaynet.com>) and CyberBills (<http://www.cyberbills.com>). BillpayNET allows users to set up complete payee lists. It then completes the payment cycle electronically, if possible, or by mailing printed checks drawn on your checking account. CyberBills offers multiple levels of service and fees depending on how many payees you designate and what additional options, such as electronic archiving, missing-payment research, and customer reminders, you require.

■ Points To Ponder. Online bill payment raises many of the same concerns as other kinds of financial transactions over the Internet. Some bill-payment sites require that customers log in with Web browsers that support 128-bit encryption, also known as strong encryption, for maximum security. You may have to upgrade your browser before you can participate.

Privacy. Be sure to read the privacy policy posted at any bill payment site where you might potentially become a customer. The policy should unequivocally state that your records will be kept confidential and that only the information necessary to complete your payment will be shared with your payee.

Customer service. Customer service is important, especially when money and credit ratings are at stake. Look for bill payment services that offer 24-hour-a-day, 7-day-a-week support available online and by telephone. What's the company's policy for resolving disputes if a payment isn't credited or something else goes awry? What procedures does it have in place for keeping such mishaps at a minimum? These are questions you should resolve before signing up for a service.

Fee comparison. Are you spending much more than you're currently spending on stamps to pay your bills the old-fashioned way? Is the convenience worth the extra charge? Online bill payment generally involves a monthly, annual, or transaction-based fee. First Internet Bank (<http://www.fisb.com>), for instance, charges a flat \$4.95 a month while many others charge \$10 or more. Some monthly charges cover up to a maximum number of payments, after which you pay the next higher rate or a small fee for each payment. Transaction fees, where you pay for every bill paid, are often in the 25-cent range, pegged to be cheaper than a 33-cent stamp. Fees are sometimes waived if you maintain a minimum checking account balance, have preferred customer status, or use direct deposit.

Your style. Does electronic bill payment fit with your online habits and your personal financial style? Do you go online frequently enough to check for new bills and payments due notices and deal with them in a timely manner? If you handle temporary cash flow crunches by relying on the several days it typically takes for your checks to clear and for the bank to debit your account, then be aware that Net-based transactions happen much faster and seldom take longer than five business days.

Not all-inclusive. Online bill payment isn't yet a seamless, all-inclusive solution. Many payees, including some in your pending bill pile, haven't yet gotten with the bill-presentment part of the program. At this stage, you'll probably still need to deal with at least a few of those old paper invoices. Even if you pay all your bills online, payment won't necessarily be expedited.

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since many payees still require printed checks or bank drafts instead of electronic transfer of funds into their account. As more companies gear up for the full bill presentment and payment cycle, the process will become more comprehensive. As this happens, online bill payments will become more appealing to both businesses and consumers.

Clickites. Online bill paying relies on a network of secure servers, massive databases, and sophisticated software for tracking and clearing transactions. As more people and commercial ventures move to the Internet, the infrastructure will become even more complex, thus relying on digital signatures, interbank transfer protocols, and a global array of standards and

Web's Fargo Bank's bill scheduling interface is the best found at most online banking sites.

practices in the technical and financial realms. Everyone is aware of Y2K, and most companies in the online bill payment arena state that they are in full compliance. Unfortunately, the reality is that the more complicated and interlocked the system, the more vulnerable it is to even the tiniest glitch.

On The Up Side. Online bill payment offers far more than the obvious advantages of saving time, money on stamps, and ink. You'll also save a fair amount of effort. You only have to enter payee information once. You can automate payment of recurring fixed obligations like car loans, mortgages, or rent. You can schedule payments in advance to cover bills that come due while you're away from your home or office. You can review your paid and pending bills, and make additional payments as necessary, from anywhere in the world. The major bill payment systems offer a great deal of flexibility in how and when you pay.

Electronic payments are processed quickly and won't be lost in the mail.

As more businesses buy into E-billing, the hassles associated with paper billing will diminish. No more delays en route to your mailbox. No more misplacing, mistaking, or losing track of those little slips of paper. On a large scale, online bill payment can help you organize your financial life by pulling together all your billing and payment records in a single online location. Online bill paying makes even more sense when integrated with your electronic checking account and some of the other online banking and personal finance tools covered in this issue. Plus, the ability to download your payment records into a financial management software package makes household, small business accounting, and tax preparation at least marginally more pleasant than that old shoebox full of receipts.

Rosy Outlook. Right now, online bill payment is a smattering of competing and overlapping systems and suppliers. You'll have to weigh for yourself the benefits of signing up through your own bank vs. an Internet bank—or build-payee-consolidator like Checkfree. Banking online does feature benefits such as low cost, ease of use, and greater flexibility in designating payees and scheduling payments. However, you'll discover that apparently competing systems actually run on the same underlying software and offer essentially identical features, so differentiating can sometimes be difficult.

A common standard for online bill payment, known as Open Financial Exchange (OFX), seems to be emerging. Microsoft, Checkfree, and Intuit—three of the largest players in the online finance field, support OFX. Standardization, whether through OFX or some other means, will encourage more potential electronic payees to get behind the online bill presentment part of the cycle. That is, to get behind the actual delivery of your invoices, which has been lagging behind the disbursement part. Once this happens, we'll be able to both receive and pay all of our bills online at the time. That's what it will take to make online bill payment irresistibly convenient. **E**

by Ron Bach

Online Payday Loans

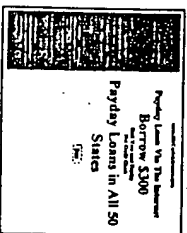
Web Sites Offer Cash Infusion, But It Will Cost You

Your car suddenly blows a head gasket. Your son breaks his arm, requiring emergency-room care. You become ill and the doctor prescribes a costly medication. Most of us have faced situations like these at one time or another, when unexpected expenses leave us in a cash bind, wondering how on Earth we are going to make ends meet until our next paycheck arrives.

While many people can turn to savings accounts, credit cards, or deep-pocketed relatives, the answer for growing numbers of overextended Americans has become the payday loan. Also called a paycheck or payday advance, deferred deposit, or post-dated check loan, it is a multi-billion dollar business that exploded in the mid-1990s. Today you'll find payday loan stores cropping up all over the country. And, of course, on the Internet.

Loan From Home. One of the more prominent payday loan sites on the Web is Mr. Cash Advance (<http://www.mrcashadvance.com>). The site trumpets the anonymity it affords people embarrassed by their need for some quick cash. In fact, the site is one of several we visited that lets you submit a loan application online. Others require you to fax the application form and other documentation for loan approval.

Regardless of how you apply, once you have been approved the payday loan sites all work in basically the same way: The lender agrees to advance you a specified amount for a very short term, usually 14 to 15 days. Typically, the loan amounts range from \$100 to \$300.



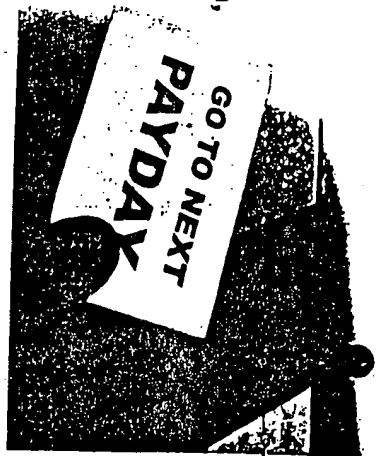
Mr. Cash Advance is a colorful site that promises to lend qualified applicants \$100, \$200, or \$300 for 15 days.

The lender electronically deposits the money into your checking account. After the term of the loan expires, you repay the loan, along with a fee. Fees range anywhere from \$15-\$25 for a \$100 loan up to \$50 for a \$300 loan. Since the lender has your checking account information, many simply debit your account for the specified amount when payment is due.

What's The Catch? If you want a payday loan and don't wish to see or talk to anybody in person, the online option may seem ideal. And under ideal circumstances it is easy, fast, and anonymous, just as Mr. Cash Advance promises.

But consumer experts wave big caution flags at the notion of giving your bank account and sensitive financial information to vaguely identified companies on the Internet. Some sites, such as Mr. Cash Advance and Cash Services, Inc. (<http://www.cashservices.com>), do not list phone numbers, addresses, names, or any contact information other than an E-mail address on their Web sites.

The thought of giving access to your checking account to a company with which you are unfamiliar and authorizing withdrawal from your account is an extremely risky thing to do," says Jean Ann Fox, director of consumer protection for the Consumer Federation of America. The organization has been fighting for stronger regulation of the payday loan industry.



"You're putting out financial information in the ether of cyberspace and hoping somebody is going to protect it."

Fox believes the fees payday lenders charge for short-term loans amounts to loan-sharking. Some lenders let customers repeatedly roll over or extend a loan, while others also charge stiff penalties for bounced checks or late payments. These practices place some borrowers in a state of perpetual debt.

Representatives for the payday loan industry disagree. Some argue the loan charges are service fees, not interest, and that they cost a consumer less than bank penalties for multiple bounced checks.

The debate has caught the attention of state legislatures and the Congress. Presently, about 18 states do not allow payday lending, while other states have varying restrictions governing its practice. At least one bill under consideration in the U.S. House would set a uniform nationwide standard.

The various payday loan sites reflect the legal muddle. Some will not provide loans to customers who live in states that don't allow this type of lending. Payday Loan Corp. (<http://www.paydayloan.com>), includes a warning on its site that it will not do business with customers living in the following states: Arizona, Texas, Arkansas, Michigan, Delaware, Georgia, Virginia, Maryland, Alabama, Pennsylvania, New York, Connecticut, Maine, Minnesota, and New Hampshire.

Pick A Winner. While legal discussions continue and some experts cry foul, a

large number of people continue to turn to payday loan services when they're in a financial pinch. If you're one of those people, or if you'd just like to find out more, we've gathered a list of some of the leading sites.

Mr. Cash Advance

This site is arguably the most well-advised Internet payday lender, and it has been online for about a year. The site does not list a phone number or address; the only contact is via E-mail, Richard Garland, the Costa Rica-based spokesman for the site, said it is owned by a company in Panama.

Mr. Cash Advance promises to lend \$100, \$200, or \$300 for 15 days. Fees for a \$100 loan are \$20 for \$200, \$35, and for \$300, \$50. Late fees are \$2 per day for a \$100 loan, \$4 per day for \$200 and \$6 per day for \$300. If you bounce a check to Mr. Cash Advance, the service charges you an extra \$50. The company allows rollovers, although it allows only one outstanding loan at a time.

As a first-time customer, the site asks you to fill out a lengthy online application form. The form asks for your name, address, job information, bank account information, references (relative's name and phone numbers), and personal information, such as your social security number, date of birth, driver's license number, and your mother's maiden name. You must complete an authorization form that lets Mr. Cash Advance deposit money into and withdraw money from your bank account. Once Mr. Cash Advance approves your application, the company issues you a password and PIN. The site promises that loans for first-time borrowers will appear within a couple of days.

<http://www.mr.cashadvance.com>

Cash Services Inc.

The same company that owns Mr. Cash Advance once owned this site's domain name, but that company sold it earlier this year, says Garland. Like Mr. Cash Advance, Cash Services also operates strictly via the Internet. No address, phone number, or contact name appear on the Web site. The E-mail address for inquiries is cashservices@costarica.net, suggesting the site's owners or administrators operate in Costa Rica. Cash Services did not answer our E-mail inquiries.

Fees at this site differ slightly from those at Mr. Cash Advance: If you want to borrow \$200, the charge is \$40, with apparently unlimited rollovers allowed. Bounced-check charges

are \$30. Otherwise, the services offered and information required are similar.

<http://www.cashservices.com>

CheckStop Payday Loans

If you are a new CheckStop customer, before you can receive your first loan, you must print the application form posted on the site, fill it out, and then fax it to the company. Along with the application you must include copies of your most recent monthly bank statement, your driver's license, a voided check, and your most recent pay stub.

The company requires that you have been at your job for at least six months with a gross income of at least \$1,000 per month (there are exceptions for Social Security disability recipients). You must also have an active checking account that is at least three months old, with no returned checks on your last bank statement.

If you meet these requirements and CheckStop approves your

application, the company says it will electronically transfer your loan into your checking account within two working days.

CheckStop offers loans of up to \$200 for first-time customers, with a fee of \$25 per \$100 (or \$50 for \$200) for a 14-day loan. The company is in Utah and offers a toll-free number for customers (888/202-9110).

<http://www.checkstop.com>

Payday Loan Corp.

Like CheckStop, this two-year-old, California-based company provides an online application from which you can print, complete, and then fax in. A disclaimer indicates that the company won't grant loans to customers in Arizona, Texas, Arkansas, Michigan, Alabama, Georgia, Virginia, Maryland, Delaware, Pennsylvania, New York, Connecticut, Maine, Minnesota, and New Hampshire.

Despite a Web site that seems to indicate otherwise, vice president Brian Boston says the company does not give loans to customers unless they live in California or Nevada. The states where Payday Loan has store locations. The company follows California state law, which restricts payday lenders and does not allow loans to be extended.

<http://www.paydayloan.com>

Payday Loans & Paycheck Advances

This site often pops up on major search engines. However, spokesman Jerome Aytes says that the San Clemente, Calif.-based company is primarily a consultant to other payday lending businesses, selling manuals and other information. Customers who live in California can visit the store to apply for a payday loan, but he says the company forwards Internet inquiries to Mr. Cash Advance or CheckStop.

<http://www.affordable.com/paycheck.html>

Fast Paycheck Advance Inc.

By late September 1999, Pinnacle Business Management Inc. hopes to have its revamped payday check advance site online, says spokesman Eric Bandman. The company plans to have Internet applications available to customers who live in states where payday lending is legal.

Until the new system is in place, customers can print applications from Pinnacle's site and then fax them to the company, but they must come in person to a Pinnacle store. Fees are typically \$25 per \$100 lent. Pinnacle does not allow rollover loans and will not lend money to people who are already borrowing from another payday lender, says Bandman.

<http://www.pgm.com/Paycheck.htm>

ATM Finders

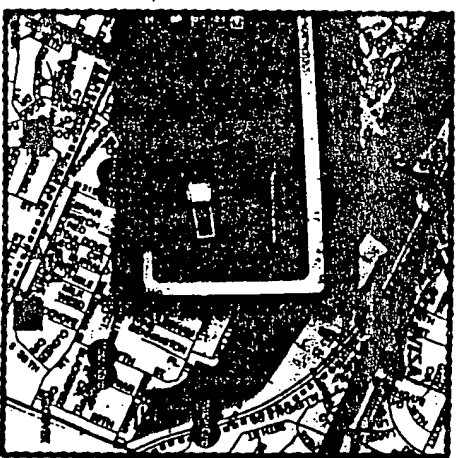
Use The Internet To Make Your ATM Hunts Easier

W hether time or money is a priority in your life, the Internet can help you find more of both—especially when it comes to banking. If you spend a little time on the Internet, locating ATMs before you hit the streets with your card in hand, then you may never have to pound the pavement searching for an ATM again.

Consider the following scenario: You drive all over town looking for a machine that takes your card. The boss is waiting for a report or the kids are standing on a street corner, so you finally decide just to use the first ATM you find. That sound you hear when you insert the plastic card into the machine is the whir of your money slowly being sucked away by high ATM charges. Yes, the banks at both ends of your transaction are probably going to charge you.

You go through this time and time again, but you just keep telling yourself that the fees do not amount to that much money. Plus, you are saving valuable time, right? Think. Whimper. You're out there until the next time.

■ Losing Money. But consider what these surcharges and interchange fees and the time you spend frantically searching for an ATM do to your calendar and your checking account. Without question, looking for an ATM eats time that most of us cannot spare. Figure a minimum of half an hour per week in ATM searches, and a couple of days have vanished from your life every year. ATMs also eat money you might want to spend somewhere else. Let's say that the average surcharge is \$1.50, and every off-use fee (the fee for not using your bank's teller machine) averages \$1.15. That is a \$2.65 hit for each visit to an ATM not affiliated



kind of financial institution you are looking for (bank or credit union). Then, select a country and a state to view a list of links to institutions within your state. You can, for example, click California and find that the Bank of America site (<http://www.bankofamerica.com/FindATM/locator.htm>) lets you locate ATMs owned by both NationsBank and Bank of America. This excellent resource may be the only site you need for locating bank sites that in turn will give you the ATM locations for each bank.

If you want a backup resource or two for locating banks and their ATMs, try the EOS ATM Locator at <http://www.eos.com/atmlocator>. When you visit this site, select a country, then put in the state, ZIP code, or any other pertinent information. (When we tested this site, the directory seemed more useful for large cities rather than small towns. It brought up hundreds of ATM locations in Chicago, for example, but missed most of the ATMs in small towns.)

Another good site is the STAX ATM Locator at <http://www.stax-system.com/html/atm.html>. You can use this site to locate ATMs that are part of the Star System of regional ATMs in specific states. Search by specific states in the west, midwest, southeast, east, and southwest. Click the Star Network Participants link on the left side of the page to see if your state is a participant. This site also provides a MapQuest map of locations.

If you are looking for ATMs for a specific bank, you may want to try the bank's Web site. For example, Citizens Bank patrons can search four northeastern states for ATM locations by going to Citizens Branch/ATM Locator at <http://www.citizensbank.com/locator/index.html>. Patrons of CompuBank can locate surcharge-free ATMs by state by visiting the eComCenter at <http://www.eocomcenter.com/abn.htm>. Bank One customers can go to <http://bankone.fidionet.net/bn/findNow?CLIENT=ID-BANK.ONE.ATM.USA> to locate ATMs for Bank One and other affiliated banks. (NOTE: Most banks have searching capabilities that are similar to the ones on the sites below.)

■ Smart Banking. This is why it is smart to spend some prep time on the Internet. The Internet can help you streamline your ATM visits and even save you money. Most Internet ATM searches begin with a search engine. We started with Yahoo! (<http://www.yahoo.com>) and Looksmart (<http://www.looksmart.com>). One site lead to another. We visited a wide range of ATM-locator sites for banks, credit cards, credit unions, and some helpful surcharge-free sites that charge-free ATMs by state by visiting the eComCenter at <http://www.eocomcenter.com/abn.htm>. Bank One customers can go to <http://bankone.fidionet.net/bn/findNow?CLIENT=ID-BANK.ONE.ATM.USA> to locate ATMs for Bank One and other affiliated banks. (NOTE: Most banks have searching capabilities that are similar to the ones on the sites below.)

For starters, let's say you want to pinpoint ATMs owned by your hometown bank, either in your own city or a city you plan to visit. We found bankonline.com to be a mine of helpful links to banks around the world. Go to <http://www.bankonline.com/fidirectory.htm>, a Financial Institution Directory, and select the

Banking

■ **Credit Cards & Credit Unions.** If you are a credit card user and want to locate cash machines, then you'll find that the Internet gives you access to some dynamic locations.

MasterCard. For example, the MasterCard/Credit ATM Locator at <http://www.mastercard.com/atm> will tell you about ATMs around the world. Even though MasterCard has machines on seven continents, its site will make it easy to find one nearby. Select either the world locator or the United States locator. In the U.S. locator, enter an address, city, or ZIP code to have the site whisk you to a page that provides addresses for each location, plus an indication of the cards accepted. You can also obtain a map to the location.

Visa. Visa users can locate ATMs by checking out a similar site at <http://www.visa.com>. Just scroll down to the Shortcuts option and click the ATM Locator link. Select a region from the drop-down menu, then a state, then enter a city or ZIP to get either a list of ATMs or a list with a map. This is a nifty list, but the site doesn't mention anything about surcharges.

Discover. Discover card users can go to <http://www.discovercard.com> and click Cash Locator on the left menu for a quick trip to a page that lets you locate Discover cash machines by list or map.

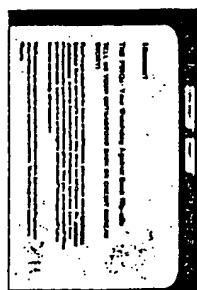
Credit Unions. If you are a credit union user, you can also find good ATM locations on the Internet. Visit the ATM Locator for the Credit Union National Association at <http://www.cuna.org/data/consumer/atm/welcome.html> to locate ATMs near you and to find some handy ATM safety tips.

■ **Money Savers.** If you want to save money as well as time, the Internet can give you a leg up by helping you locate surcharge-free ATMs. These are machines that do not charge for letting you withdraw your own money. Rest assured that you are not the only ATM user to run screaming from the Banko Bandito with a handful of cash and an account full of charges. This is why some concerned citizens are mounting Internet sites to help you find cost-free ATMs.

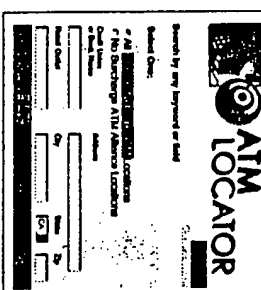
Surcharge Issues. A good place to begin is with the ATM Channel from bankrate.com at <http://www.bankrate.com/bnm/rate/atm-check/home.asp>. This site provides some fascinating background on the surcharge issue and has an archive of stories about ATM experiences, ranging from the bizarre to the infuriating.

Surcharge bans. Nationally, some anti-fee movements are gaining ground.

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For a directory or downloadable reports on the surcharge issue (and on other equity timely and interesting matters), check out the site for U.S. Public Interest Research Groups.



The ATM Locator for the credit union CO-OP network scans the city you designate to find network ATMs or services without surcharges.



Bank-specific sites such as this Independent Community Bankers of America (ICBA) page allow you to search for surcharge-free ATMs near you.

Alliance Web site (<http://www.freedomatm.com>), whose members in Pennsylvania have access to surcharge-free ATMs at more than 200 member machines.

Surcharge resources. The ATM Surcharges site (<http://www.atmsurcharges.com>) is a great resource for free-ATM shoppers. The opening page of this site provides links to a discussion of surcharges, tips on the avoidance, advocacy, information, and a really excellent list of resources, including the status of ATM legislation, government-related ATM activities, reports, and hearing updates. If you follow the Finding Surcharge Free ATMs link, you will discover some marvelous links to no-surcharge alliances, links to individual state directories of alliances or surcharge-free institutions, and a terrific listing of Chicago-area ATMs.

Another good surcharge resource is the Independent Community Bankers of America (ICBA) Web site (<http://www.icba.org/atmsearch.html>). Here, you will find a list of surcharge-free members of the ICBA. You can easily search by state for ICBA surcharge-free banks near you.

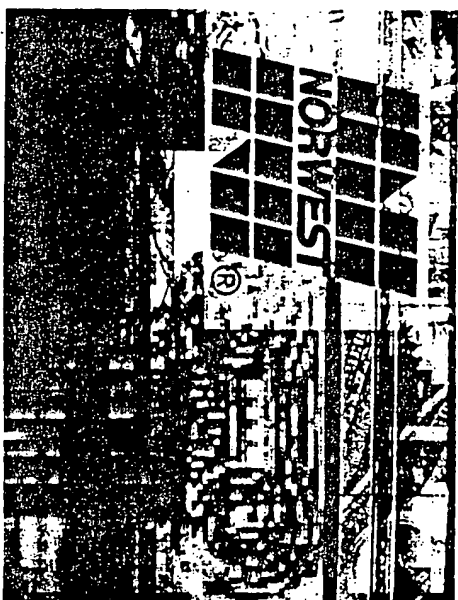
A terrific resource for banks in the southeastern part of the United States is The ATM Surcharges Page at <http://www.andrings.com/~secline/bank/index.html>. You will find a lively and relevant approach to the topic, including a list of banks that charge nominal or no surcharges. You will also find some useful links to local alliances around the country.

You will also want to check out The No-Surcharge ATM Alliance Directory at <http://www.theco-op.org/index.html> for a directory of states with such alliances. The states include Arizona, California, Colorado, Florida, Idaho, Maryland, North Carolina, New Hampshire, Nevada, Ohio, Oregon, Texas, Utah, Virginia, Washington, and Wisconsin. The listing of each state also includes an address for each member state.

If you bank at a credit union, by the ATM Locator on the CO-OP Network (<http://209.24.187.89/web/coop/search.html>). Search for a Co-op ATM or for a no-surcharge alliance-member institution by any of the following: credit union name, bank name, retail outlet name, address, city, or state. Just enter the name of a city will produce a list, and you can follow a link to Excite (<http://www.excite.com>) for a map to the location. □

by Sharon Shaw

Using Norwest



Security. Don't worry about sending sensitive information over the Internet during the application process; all online sessions done with your Web browser are encrypted (scrubbed) while you are sending personal information while connected to Norwest's site. This encryption is part of your Web browser and does not require you to download anything. To make sure your session is secure, check out the bottom of your browser window; you should see a padlock icon in the closed (locked) position. This means you have a secure connection to the Web site.

Signing up. The first part of the application asks if you already have an account with Norwest and if you are a student. Choose the appropriate radio button to make your selection on this page. You also need to let Norwest know your state of residence. Pick your state out of the drop-down list (click the down arrow to open the list) and then click the Continue button to move to the next page.

This page is where you choose to open an online account. As mentioned, new customers must also open a deposit account, such as a checking account, to use Norwest Online. You can make that selection on this page, too. If you want more information on a certain account, then click its More Info button. If you are a new Norwest customer, click the boxes for both the Free Online Banking With Bill Pay and the Checking Items. Then, click the Continue button to move on.

The next page you come to gives you a list of things you will need to complete the

To get involved in the online banking trend, you may want to check out one of the top-ranked online banks: Norwest Online.

Set Up An Account. Once you are sure you want to set up an online account with Norwest, you will first have to open a checking account with Norwest. Norwest does not allow you to work with your existing checking account, unless it is already with Wells Fargo or Norwest.

You can apply for a new checking account, along with other types of Norwest accounts, using its online application. To start a new application, click the Apply Now link in the Online Banking session of the Norwest home page.

Learning Sites / Bank & Investment Sites 79

Online Application Center

Click on the link to the service and information you want. Please be sure to read the terms and conditions.

Sign up for Online Services:

Click on the link to the service and information you want. Please be sure to read the terms and conditions.

Open New Deposit Accounts:

Click on the link to the service and information you want. Please be sure to read the terms and conditions.

Open New Investment Accounts:

Click on the link to the service and information you want. Please be sure to read the terms and conditions.

To use Norwest's Online Banking system, you have to open a checking account if you do not already have one with Norwest.

Click Continue again to go to the next page. Checking Application. On this page, you will choose which style of checking account you want to have. You have four choices from which to choose. If you want more information on any of the account types, click the checking accounts hyperlink. Don't worry about losing your place in the application; the

link will open the information in a new browser window. When you finish reading about the different accounts, simply close that browser window and you should be right back where you were in the application process.

On this page, you will decide if this is going to be an individual or joint account. You will also have the choice of setting up a direct deposit to your account. All accounts get an ATM card, which you will receive in the mail. At this point, you can continue on with the application, you can cancel this checking account application and continue on to the next application, or you can exit the system completely. Because this is your first time here, we choose to continue on to the next step.

Because we chose to create an ATM Checking account, the next page we saw asked us for our opening balance. The minimum

First-Hand Experience

Online application. On this page, fill in your personal information, such as your name, social security number, and drivers license number. Click Continue to move to the second page of the application. Next, enter your date of birth, birth city, country of citizenship and residence, and mother's maiden name (to use for identifying you should you need to call customer service).

After clicking Continue again, the next page you see asks for your street (physical) address, city, state, and ZIP code, your telephone number, and your E-mail address. Norwest will also ask you for your mailing address if it is different than your street address, and a previous address if you have not been at your current address more than three years. Click Continue to go to the next page.

The fourth page of the application asks for your employment information. Choices include student, not employed, retired, and employed (there is also a box for self-employed individuals). Choose the radio button that matches your situation. If you choose employed/self-employed, fill out the next fields regarding your employer. You will need to provide your employer's street address and phone number to complete this page.

Once I was in the system, I made my way around the online banking services. I was a bit skeptical that an online bank could give me the same type of banking experience that a traditional bank could, but Norwest Online came close. The fact that the Web site was secure pleased me. It was not to know my session was secure from the start—just seeing it to the Web site took me to a secure Web page.

Opening an online bank account with Norwest is a two-step process for new customers. First, I had to open a new, standard checking account with Norwest using its online application. I liked the fact that the browser secured this part of the Web site so there was little chance someone would intercept my personal information. The second step was to apply for online access to my checking account. Once signed in and authenticated,

Link will open the information in a new browser window. When you finish reading about the different accounts, simply close that browser window and you should be right back where you were in the application process.

On this page, you will decide if this is going to be an individual or joint account. You will also have the choice of setting up a direct deposit to your account. All accounts get an ATM card, which you will receive in the mail. At this point, you can continue on with the application, you can cancel this checking account application and continue on to the next application, or you can exit the system completely. Because this is your first time here, we choose to continue on to the next step.

Because we chose to create an ATM Checking account, the next page we saw asked us for our opening balance. The minimum

Online Banking Demo

Click on the link to the service and information you want. Please be sure to read the terms and conditions.

Sign up for Online Services:

Click on the link to the service and information you want. Please be sure to read the terms and conditions.

Open New Deposit Accounts:

Click on the link to the service and information you want. Please be sure to read the terms and conditions.

Open New Investment Accounts:

Click on the link to the service and information you want. Please be sure to read the terms and conditions.

This Web page from Norwest's Online Banking demo shows how you can set up Norwest's Bill Pay option for your recurring bills.

Online Banking Demo

Click on the link to the service and information you want. Please be sure to read the terms and conditions.

Sign up for Online Services:

Click on the link to the service and information you want. Please be sure to read the terms and conditions.

Open New Deposit Accounts:

Click on the link to the service and information you want. Please be sure to read the terms and conditions.

Open New Investment Accounts:

Click on the link to the service and information you want. Please be sure to read the terms and conditions.

Here is the Checking History page; you can see all your transactions just like your physical check register.

opening balance is \$100, and the maximum opening balance is \$500. If you use a credit card for the deposit. Type in the whole dollar amount in the space provided and pick your method of payment. You can put the opening deposit on a Visa or MasterCard or choose to mail in your payment. If you mail your payment, Norwest will accept either a personal check, money order, or cashier's check in your name for the opening deposit. Mailing information is on this page for your convenience.

This completes the first part of opening an online account. The next page you will see shows you additional services and accounts that you can open with Norwest. Because we

want to set up an online account with Norwest, we checked the Free Online Banking option. That is all there is to applying for online banking. Click the Continue button to go to the next page.

The last page you see during the application process is an important one. The last page is the Acceptance Agreement for your new checking account. The short disclaimer at the top of the page tells you that you are authorizing Norwest to make any necessary inquiries into your credit history to set up the account. If you think you may have made a mistake, you can go back and edit your information. By clicking Edit, you can check or correct your information starting at the personal information page. When you are sure everything is correct on the application, click the Submit button to send your application to Norwest for processing.

Online Banking Services.

With Norwest Online, you get virtually all the services you came to expect from a traditional bank. You can check your balance, view deposit and withdrawal histories, and transfer money from one Norwest account to another. We spent most of our time in the Account Summary area of the site. The Account Summary page serves as a "virtual" check register for your account. You can see at a glance what your balance is for each account as well as a grand total of all accounts.

What we really liked was that we could jump from our Account Summary page to a transaction detail page for a specific account. On the Checking History page, you see all of your transactions in reverse order (newest to oldest), as well as the date, payee, and amount of each item. We like the way Norwest signifies deposits by marking them with a plus sign (+).

Another part of the site that is useful is the Bill Pay area. This is where you can set up scheduled, automatic payments for all your bills. For example, we set the send date, amount, and frequency for our home mortgage payment. Don't worry; if for some reason you do not have the funds in the account when the payment is due, Norwest will not send it out. This saves you from accidentally incurring

insufficient funds charges. Setting up our bill accounts was a bit of a chore, and we were not that comfortable leaving our bill paying to an automated system. We like writing out our checks every month.

To take care of those situations when you need to write a check when shopping locally, you can write standard checks against your account. Like a traditional bank, the check will not show up in your online register until it clears Norwest. Another nice feature is that you can download your account information into Microsoft Money or Intuit Quicken. This gives you an offline way to keep track of your finances.

Overall, Norwest's online banking was an easy-to-use and friendly system. We are still trying to get used to the idea of electronic banking, but before too long, that is how it will all be done. **B**

by Keith Seibitz

Don't Miss

In addition to personal online banking, Norwest Online carries a complete set of financial services for businesses, investors, and home buyers. In each section of the site, you get links to in-depth articles, resources, and a variety of financial calculators. For customers and non-customers alike, Norwest Online provides a wealth of information on many subjects. For example, in the Investments section of the Web site, you get complete, detailed descriptions of your available retirement options. You can learn the difference between a traditional IRA and a Roth IRA and use the Retirement Estimator to help determine if you are saving enough for your retirement. While you cannot set up an IRA online, the site does provide phone numbers so you can contact a representative.

Under the Business and Mortgages sections, you will also find resources similar to those in the Investments section. You will definitely want to check out the Refinancing area of the site. Norwest provides good tips on refinancing your home. Plus, its site includes a reference calculator to help determine if refinancing is right for you. **C**

Using Security First Network Bank

In the past few years you may have noticed that many large banks are offering electronic banking via dial-up software or direct Internet access. Banks of the future may not even have a single brick-and-mortar branch, but may exist only as a collaboration of software, hardware, and network infrastructure housed in an undisclosed computer center hidden deep in the earth. Welcome to the future and the Security First Network Bank (SFNB), the world's first fully transactional Internet bank.

On October 18, 1995, SFNB formally opened its virtual doors to the world, becoming the first Internet bank to be federally insured by the Federal Deposit Insurance Corp. (FDIC). SFNB may be virtual in concept, but it is a very real bank. It is a member of the Royal Bank Financial Group with \$180 billion in U.S. assets. The bank currently has one branch located in Atlanta, Ga., that it refers to as a City Office, but don't expect to walk up to the counter and hand a teller your deposit. Why? Because, quite simply, there aren't any tellers. The closest thing SFNB has to a teller is a Banking Specialist. These SFNB employees handle customer questions and problems over the phone but will gladly accept a deposit if you care to fly to Atlanta.

Welcome

to the future

and the Security First

Network Bank (SFNB),

the world's first

fully transactional

Internet bank.

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■ **A Different Type Of Bank.** You can walk through the bank's "front doors" by typing <http://www.sfnb.com> into your Web browser.

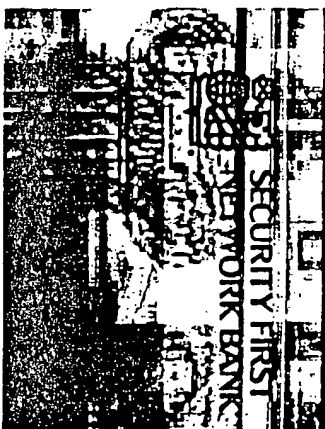
The bank offers many different account types, such as Basic Checking, Interest Checking, Basic Savings, Internet Money Market, and six, 12, and 24-month CDs.

You may be wondering the same thing we were. How do you get physical money in and out of a bank that doesn't have any branches? We're happy to say that there are many options.

Deposits. You can mail SFNB your physical check and deposit slip in Atlanta. If you currently have a bank account, you can set up to do electronic banking, you can list SFNB as a payee and have your current bank send SFNB a paper check for deposit. For \$5 a transaction, you can make an electronic transfer to your SFNB account from another bank or do a recurring transfer using Automated Clearing House deposits at no charge. This involves downloading a form from the SFNB site, filling it out, and mailing or faxing it back to SFNB. You can also have your paycheck directly deposited into your account. If you happen to be in Atlanta, you can always drop by the SFNB office and visit a Banking Specialist or use the free ATM machine.

Withdrawals. The SFNB Web site explains in detail how to put money into the bank, but it doesn't readily post instructions about how to withdraw money. By placing a call to its 1-800 number on a Saturday morning, we were connected quickly to a well-informed Banking Specialist who was able to answer all of our questions. When you apply for an interest checking, basic checking, savings, or

money market account, you are given an ATM card. You may also be sent a Debit card if you apply for an interest checking or basic checking account, but it's not given to everyone. You must pass a credit check through Equifax and depending on the score, you are provided an ATM or Debit card. The ATM and debit cards work with any ATM that supports Cirrus, Honor, or Interlink services. Since SFNB doesn't own any ATMs, except the one in Atlanta, you will be charged whatever service fee your local ATM delegates. If



you're not in a hurry to make a withdrawal, you can issue yourself a paper check from your SFNB account and have it sent to your home. On average, it takes four working days to arrive.

Security. Many people are fearful of things they don't quite understand. It's an interesting psychological phenomena that while on vacation, we may gladly hand over a credit card to a waiter or waitress for 10 minutes and think nothing of it. However, we refuse to use our credit card on the Internet or set up an online banking account. This apprehension is based on a lack of understanding about how modern Internet security functions—and maintenance to the odds of anything actually happening to you or your money.

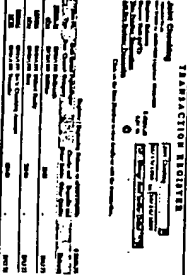
If you're interested in a technical nuts and bolts overview of how SFNB security functions, visit the site's home page, click Privacy, scroll to the bottom of the page, and click White Paper About Security. The white paper describes the roles of cryptography, firewalls and the VirtualVault, but SFNB is

confident and believes you shouldn't have to worry about security, so it offers a no-risk guarantee: SFNB will reimburse you 100% for funds removed from your account without your authorization and for penalties incurred as a result of a computer crime not prevented by its security system. You are covered for any human or system error caused by SFNB that results in an improper transaction leading to lost or misplaced funds. The bank also takes responsibility for any unauthorized debit card transaction or missed or misdirected payment caused by SFNB. There are, however, a few situations that this guarantee doesn't cover: if you give your password to someone who in turn drains your account, you must bear the consequences. You should read the Privacy page to properly evaluate all the nuances of the agreement, but it does a great overall job of alleviating security-related anxiety.

■ **The Application Process.** Setting up an online SFNB account is similar to opening an account at a physical bank. From the main page, click Open An Account and then New Customer. You proceed step by step, and you will need to supply information about the account type; for example, do you want a checking or savings, a sole or joint account? Once you've answered these preliminary questions, you're presented with a comprehensive application form, so be prepared to spend some time on it.



The main menu has attractive icon buttons that are simple to understand.



The Transaction Register is an electronic form of your paper checkbook.

Opening an account is free, but obviously you'll need to get money into it if you want to start writing checks. You can open your account using your credit card, but this is not a shortcut that allows you to immediately use your new account. After your application is filled out, Federal regulations require you to print the application, sign it, and send it to SFNB. There is no way to avoid using the mail to get the process started. Even if you choose to use your credit card to deposit the minimum of \$100, the transaction will not take place until SFNB has received your signed

First-Hand Experience

As appealing as online banking sounds, many people won't want to try it without first hearing from those of experience.

To test the feasibility of an online banking for the average customer, I gave SFNB a real run. The Welcome Kit I received in the mail contained some deposit slips and envelopes addressed to SFNB. This included a card that can be filled out if you want SFNB to send you paper statements each month, a referral card that credits \$30 to your account and \$20 to your referral's if you sign someone else up, other assorted information and forms, and my username and password. My ATM card arrived in the mail four days later. When I logged on the first time, I was prompted to immediately change my password. The next screen was a one-time orientation page that briefly explained how to make electronic payments, informed me about the different statement balances I would soon see, and offered to direct me to the online tutorial. Bravely, I bypassed all of these options and clicked

application. Its Web site doesn't mention it, but Federal regulations also mandate that the document bear an original signature, so forget leaving in your application.

During the application process, an immediate credit check is run and you are prompted to answer questions that may pertain to your mortgage company or other specific loans you've recently acquired. Even if you're experienced with this type of application process, it is still a little intimidating how quickly your private financial data can be extracted once an agency has specific

bits, the downtime would have been a major inconvenience. I checked the SFNB site and it says its customer service center is open 7 days per week, 24 hours a day but doesn't indicate your account will be accessible 24 hours a day. This doesn't prevent you from using the phone to check your account balance or from using your ATM card to withdraw money. But unlike other banking software that is physically based on your PC, when the SFNB site is down, you are left floundering. As with most banking software, there is a time lag between when you set up a new payee and when the payee actually receives a check. It takes four working days for SFNB to set up the payee account, so don't wait until the last minute to issue that mortgage check. Everything considered, I was pleased with the application SFNB has constructed. It's fast, clean, easily understood, and well supported. Since all you need is a common Web browser loaded on your PC to access your account, it scales well for people who frequently travel or share a PC. ☐ weekend around paying

Banking

personal information. Once SFNB receives your signed application, it takes four working days to return your SFNB Welcome Kit, username, and passwords.

Banking Online. If you've had experience with electronic banking, the SFNB menu selections will seem straightforward. Regardless of whether you use physical or electronic banking, there are some standard tasks. For this reason, many of the SFNB prompts may seem familiar, or similar to other banks. If you're new to electronic banking, you shouldn't have any trouble navigating the menus as long as you read the lesson guide and take your time when starting out.

The beauty of online banking is the ability to instantly view your current account information. Each time you log onto your account, you will get the SFNB account summary screen. You will also be spending a great deal of time using your transaction register, which is the electronic form of a paper check book. From the main menu, click on Register to view your transaction register screen. The register screens allow you to enter new register transactions, assign categories to transactions, and view pending payments.

The key advantage to having an online checking account is the ability to pay bills efficiently. On the main menu, click Pay Bills to schedule electronic payments. To set up payees, on the main menu click New Payee. To set up payee groups, click the main menu selection Pay Groups. The nice thing about having your transaction register online is that all transactions are posted to your register automatically, which means no more balancing your check book. However, under certain

circumstances you may want to still tinker with the numbers. For example, you may make an electronic car payment, but it will take several days before it clears and reduces your register balance. You can reconcile your account by clicking Register then Add a New Register Transaction.

Using the record register transaction screen, you can make the entry manually.

SFNB also offers a feature that allows you to import and export information between your personal financial software and your online account. If you already have a list of categories in your financial software at home, you can import them into your SFNB account by clicking Reports, then Import Categories. You can also export transactions to your financial software using a tool that bundles up all the data in a Quick Interchange File (QIF) by using the same menu and selecting Export Transactions in QIF Format.

There is also a tool that generates reports on-the-fly so that they can be printed and saved for paper records. From the main menu click Reports and SFNB offers reports such as Transactions by Category, or Payee, Cash Flow, Tax Report, and a Reconciliation Report. Each of these reports can be manipulated to yield unique results based on several check boxes and drop-down menu options.

Rates & Other Services. On the main SFNB page, you can click Products And

Don't Miss

Jan. 1, 2000.

SFNB is offering a no fee, 6% APY checking account in hopes that a high interest account will provide a compelling reason for people to make the change to Internet banking. By comparison, their prior rate for the account type was 2.5% with a \$4.95 fee per month, if you didn't maintain a balance of \$500. ☐

Services and then Current Rates to see the specific rates for each account type. SFNB claims to be very rate-competitive and, in some cases, an industry leader.

If you're not sure online banking is right for you, SFNB offers an attractive demonstration walk-through featuring many of the screens you will encounter while using its service. Click Demonstrations from the main page and you will be led through an active, high-level, step-by-step overview of basic SFNB functionality, including electronic bill payment, online transaction register, check imaging, credit cards, and online checking and credit statements.

SFNB also offers a full-featured online tutorial. From the main page, click Products And Services and then Online Welcome Kit. On the left side of the screen, click Online Tutorial. The tutorial is designed as six part lesson that covers topics such as Viewing Account Information, Using Transaction Registers, Paying Bills, Reconciling Your Account, Sharing Information With Your Personal Financial Software, and Generating Reports. Each lesson includes sample screens as well as a simple true and false test that summarizes each lesson. Unfortunately, if you'd like to print the entire tutorial you will have to print one lesson at a time. SFNB doesn't offer a download that contains all the lessons in a single file.

In a nutshell, Internet banking is your PC performing financial transactions with a large computer hundreds of miles away, with little to no human intervention. It may seem strange today, but someday in the future banking like this will be as common as making a phone call. ☐

by Bart Asquith

Using Bank of America



If you live in California, in addition to the site and surf you also have access to the full range of online services from the Bank of America (<http://www.bankofamerica.com>). If you don't live in California, then features that are available to you as a customer of the Bank of America will vary according to where your accounts are, but there's still plenty of real features that make this site worth checking out.

(NOTE: At the time of this writing, accounts based with California, Texas, and New Mexico branches will have access to the widest range of services with Bank of America online banking.)

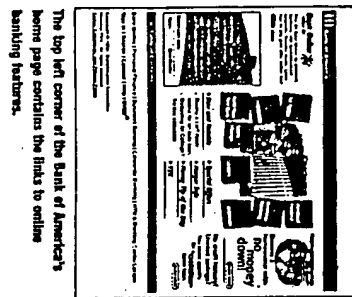
If you are a Bank of America customer and have accounts with a branch that is not in one of the three aforementioned states, you will still have access to online banking for your BankAmerica credit cards. BankAmerica credit cards include BankAmerica Visa Gold, Gold MasterCard, a standard BankAmerica Visa or MasterCard, or the America West FlightFund Visa Card. However, to access your checking and other accounts, you must use the bank's proprietary dial-up access software. This will eventually change as the bank migrates its services to the Internet. The services available to you if you do have accounts with branches in California, Texas, or New Mexico differ according to the individual

state. However, the services available include access to your BankAmerica cards as well as your savings and checking accounts online. In time, the full range of services will come to customers from the other states, but they're not available yet.

Check out what's available in your state from time to time by selecting Bank Online from the Bank of America home page. Select your state from the drop-down option list, then click OK to see a page containing details of the services that are available to you.

Enrolling For An Account. The Bank of America site falls prey to using some terminology that may be confusing to novice users. It draws a distinction between BankAmerica and HomeBanking services. BankAmerica is the section devoted to credit

card information, while the other portion is dedicated to checking and savings accounts. You'll need to be clear on what services are available to you in your area before you can use these services. This depends on the state in which your accounts are. As a rule of thumb, if you're from a state other than California, Texas or New Mexico, chances are that all you can use right now is BankAmerica online so that's what you should be looking at. You'll only need to sign in once to access both types of accounts if HomeBanking and BankAmerica are available to you.



You can enroll for access to BankAmerica online or HomeBanking online. All that's needed are details of your accounts, personal details such as your Social Security number, and a suitable Web browser. Provided you're using Netscape 3.01 or later or Internet Explorer 4.x, you'll be OK, but the site does make extensive use of JavaScript so be sure to have the JavaScript option on in your Web browser's settings. There is an excellent explanation of the browser requirements at http://www.bankofamerica.com/online/browser_req.html and there are also links for downloading the most recent browser version from Netscape and Microsoft.

Additionally, you can gain access via America Online, WebTV, or a 3Com Palm VII personal data assistant (PDA). However, none of these alternative access methods were tested for this review. Once you've typed your ID and password, you can begin to access the site. However, there's one Navigation tip to which you should pay careful attention. While you may normally use your browser's Back and Forward buttons to navigate Web sites, do not do it here. Because of the way the BankAmerica Web site is designed, you can get into real trouble using the browser buttons to move around. Back and Forward button navigation can cause error messages and lead to you being timed out of your own session. To avoid this problem, always use the site's own proprietary menus to move around.

When you finish your session you should select the Sign Out option to close down the session. However, like many other security-intensive sites, you'll eventually be timed-out (disconnected from the service) after a present amount of non-activity. If this occurs, you'll simply need to enter your online ID and password to access the service again.

■ **A Plethora Of Options.** As soon as you enroll for online banking, you'll get immediate access to your account details. You'll see a summary of the total balances for your checking, credit, and savings accounts. Individual balances are also available from here. You can get full transaction details for checking and credit card accounts, because each payment or deposit is individually noted with a date, description, amount, and running balance of the account in question.

You can transfer money between your accounts and download electronic statements, which are text files in a format suitable for importing into some personal financial management software, such as Intuit's Quicken or Microsoft Money. If you're not using either of these programs, you can easily display the account details on your screen and use the browser's File Print option to print a hard copy for your records.

If you're dealing with a credit card account, you can click an individual item, and you'll be taken to a screen that offers you the option of ordering a copy of the original sales draft or ordering a dispute form. The system holds almost five months of data, so you can check your credit card statements from the previous four cycles plus the current charges.

■ **Paying Bills.** Most of the options available for managing your Bank of America accounts online are free. There is an exception, and that's the bill paying service. The bill paying service allows you to pay almost any bill online. The person or organization you are paying doesn't have to have a special arrangement with the bank. Currently the service is limited to checking accounts based in California and is free for the first three months. Once the trial period is over, you will need to pay \$5.95 per month. If your account has direct deposits made into it, this monthly fee is waived.

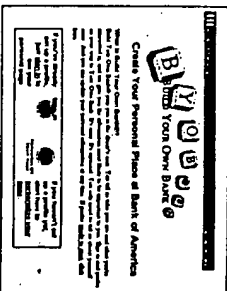
First-Hand Experience

As luck would have it, I'm a both a Bank of America customer and I live in California, so the bill payment service that online banking offers are available for my accounts. I also freely admit to having a love-hate relationship

with the bank in terms of the service I've received from it. At the end of the day, however, it is the bank's online banking service that keeps me a customer—it's simply too good to give up. The ability to transfer money from one account to

Account Type	Balance	Available
Checking	\$1,234.56	\$1,234.56
Savings	\$5,678.90	\$5,678.90
Credit Card	\$123.45	\$123.45

The online banking Test Drive shows you through the options for managing your accounts online.



Bank of America's Build Your Own Bank option allows you to build a personalized page of information relevant to you.

With the bill paying service you set up each payee by entering its name, address, and the key details of your account, so that the payment can be identified as coming from you. You only do this once and then, whenever you receive a bill, you pay it in the same way you transfer funds between accounts. You select your bank account and the person you're paying from drop down lists, you type the amount of the payment, and enter a payment date—where you can schedule payments up to a year in advance. That's all there is to it. It can take

another, to check on deposits and payments, and to know the exact status of each account (including credit cards) is an invaluable personal financial management tool.

BankAmerica online banking is reliable and is pretty easy to use after a short-term learning period. If you have to call

up to five working days for the payment to go through, but in the real world it can take that long for a letter to be delivered.

In addition to personal accounts, Bank of America also offers online Business Banking, which gives access to business accounts, such as checking, savings, and money market accounts. Additionally, users may make transfers between accounts and the bill paying service. There are some more handy options for online banking. You can change your account Quick Code, which is the name the Bank of America Web site calls an account. That means if you have two checking accounts, you can name them whatever you like (for example, household and personal) to avoid having to remember which numbers belong to which accounts.

You can change your personal details online. This includes your password, address, phone number, or E-mail address. You can also add new services to your account. For example you can make a bill payment or add a new account by selecting Click Here To Add Services. Other options allow you to order account checks, sign up for overdraft protection, and even link your BankAmerica credit card to your ATM card.

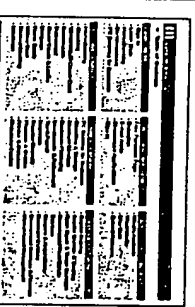
The Bank of America's online services are available 24 hours a day, seven days a week except for scheduled maintenance hours. HomeBanking and Business Banking Online hours range from 2 a.m. to 6 a.m. Pacific Time, and BankAmerica's downtime is scheduled from 12 a.m. to 6:30 a.m. Pacific Time. There's also an excellent customer help phone service that is available during extended hours. If you prefer, you can E-mail your question to customer support.

■ **Build Your Own Bank.** Even if you're not a Bank of America customer, you may find yourself welcoming the bank's Web site. After all, you can Build Your Own Bank

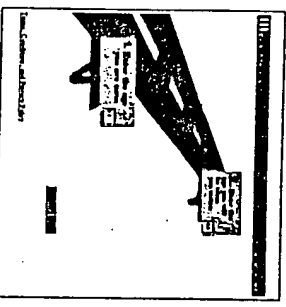
another, to check on deposits and payments, and to know the exact status of each account (including credit cards) is an invaluable personal financial management tool. BankAmerica online banking is reliable and is pretty easy to use after a short-term learning period. If you have to call

(BYOB). This is an option for creating a personal page on the bank's site. This personal page contains only the information that you want to see. To build your home page you need to enter your name and e-mail address, select the information categories you're interested in, and type a username and a password. The categories include Getting Organized Financially, Saving and Investing, Home Buying, Building a Business, Retirement, Electronic Commerce, Markets, and the Environment.

Your BYOB home page appears. Looking at the page, you may note that it contains tips related to the categories you chose, as well as special announcements. You can sign into HomeBanking or BankAmerica online from here and apply for a loan or a new account online. The information in your personal



The Search option on the site is more like a table of contents with links to the key areas of the site.



The site's Search Change area has a calculator showing you how much you'll need to save each year to retire with \$1,000,000.

Don't Miss

Don't miss the Test Drive, which is an online demonstration showing you around the HomeBanking and BankAmerica online services. Even if you are enrolled for online banking, it's worth checking out the Test Drive.

profile is automatically inserted into your application so that you aren't required to retype it. There's no option to save the link to your own page so you'll have to remember your ID and password and sign in every time you want to access your page.

■ **More Features.** The Bank of America site gives you more than simply online access to your accounts. The site contains information ranging from getting a mortgage or a car loan to finding an ATM or getting a job with the bank. As you surf the bank's site you might end up on the NationsBank Web site. This comes from the recent merger between Bank of America and NationsBank.

A good place to read up on feature details is to select Search from any screen. The Search option is really a Table of Contents where the links are organized into related groups. This has you click any item to visit it. The site features numerous financial calculators for college tuition, car, and housing loans. Some are quite useful. For example, the Home Equity loan calculator requires you to enter the amount you want to borrow, the interest rate, loan term, and proceeds to tell you your monthly payment. This is a simple calculation any spreadsheet could make for you. There's a calculator for displaying the principal and interest components for the term of a fixed rate mortgage, while yet another one tells you how much home you can buy based on your income. This calculator provides information on your downpayment and the current interest rate. To see what's available, visit <http://www.bankofamerica.com/mortgage>, click Toolbox, and make your selection from one of the options in the menu on the left side of the screen.

The Budgeting For College calculator (<http://www.bankofamerica.com/tools/student-budget.html>) is really a budget calculator for everyone. Enter your income and monthly

expenses and it tells you whether you'll need a loan to study for live—or if you'll have money left over at the end of the year. Spare Change is the lighter side of the Bank of America site. Here you can see what 1 million dollars would look like in \$1 bills or \$1,000 bills. You can check out the current art exhibitions in the bank's San Francisco galleries or see the view from a camera perched on top of the clock tower in San Francisco.

■ **Online Outlets.** The Bank of America's Web site has some quirks that you'll discover soon after you get familiar with the site. Some of the more notable problems are:

- The menu option, titled "References," is the bank's way of indicating Help information or a glossary of terms.
- The Bank uses its own terminology. For example, the password is called a "passcode." Search is a table of contents, and the site makes a distinction between HomeBanking and BankAmerica. This is in-house bank terminology for credit cards and savings and checking accounts.
- Some of the options you choose have no obvious way out. This is particularly a concern when you're in HomeBanking of BankAmerica as you shouldn't use your browser's Back or Forward buttons. It's easy to get stuck in the Adding services area and, when you select a Credit card charge to see more information, the way back to the credit card statement is via the See Account Information menu item. This is all rather ambiguous in the context it's used within.

Despite these quirks, Bank of America has plenty of features to offer both customers and non-customers. □

by Helen Buday

If you don't know what \$1,000,000 would look like in \$1 bills, check out Spare Change. While you're there, take a step further and see what you would need to save every year between now and your retirement to amass \$1,000,000. □

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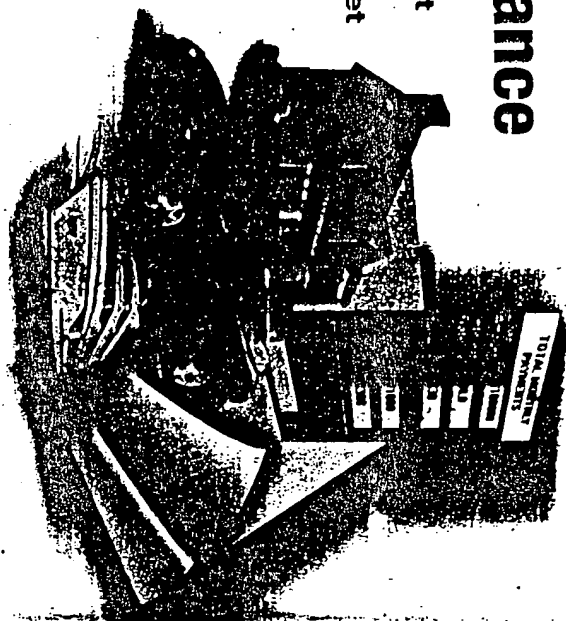
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by Helen Buday

The World Of Online Finance

**Reward Yourself
By Accessing Direct
Lenders & Brokers
Through The Internet**



The first time Jack Cudworth went online, he picked up a \$10,000 home equity loan. "It was more of a lark than anything else to start with," recalls Cudworth, a 54-year-old insurance broker in Downey, Calif. "I was driving to work one morning and I heard this ad for the LendingTree.com (<http://www.lendingtree.com>) on the Internet. We had just gotten computers in the office six to eight months before that, and I was getting used to the idea of using the stuff, and I thought 'I'll see about trying this.' ... That was the first time I had been on the Internet at all. I had done a couple things with E-mail, but this was the first time I really opened up and went online."

Surprisingly, Cudworth isn't the only person to have such an experience. A growing number of people are opening up online and taking advantage of online financing opportunities. According to Forester Research, online loan origination amounted to \$482 million in 1997, and that amount is expected to increase to \$167 billion by 2003.

Such massive growth in online loan origination is having several effects on the lending industry. Obviously, it has changed the way people apply for loans. It also has begun to have an impact on the manner in which financing is conducted and perceived by businesses and lending institutions. Another significant factor is that it has helped produce a financial survey general public that isn't afraid to discuss interest rates and processing fees with potential lenders. These effects are not economically unsound or fiscally foolish. Rather, they are the signs of natural evolution occurring in a traditional industry as it enters the cyberage.

88 Bank & Investment Sites / Lending Sites

The Internet As A Money Lender

There are thousands of online sites where you can go to apply for a loan. It's likely that your own bank provides online loan applications. Mortgages and auto loans are the most common forms of online loans, but it's also possible to obtain other types of loans. Examples include home-equity loans, school loans, vacation loans, and financing packages.

If you're interested in school loans, check out the services at Union Bank & Trust Co. (<http://www.adulans.com>) or Citibank StudentLoan.com (<http://studentloan.citibank.com/site/c>). Or, for vacation enthusiasts, access The Vacation Acceptance Co. site (<http://www.vac-card.com>) and see what it has to offer for vacation financing.

With so many online financing possibilities, it may seem as if the Internet is a repository for easy money or that it's much easier to obtain a loan online than through a traditional brick-and-mortar lender. That's not the case. The

principles that govern online financing are nearly identical to the principles that govern offline financing.

For example, if you want to obtain a loan through an online lending institution, you still need to fill out an application. Then, the online lending institution will run a check of your credit history. It might also require you to submit verification of your earnings and other relevant financial statements. And the loan you obtain online must be repaid with interest according to the terms of the loan contract. In addition, you may be responsible for processing fees and other costs associated with the loan.

Individuals like Cudworth who have excellent credit histories are likely to benefit from lower interest rates and will have little difficulty getting the money they need. Individuals who have poor credit histories are likely to be charged exorbitant interest rates if they're lucky enough to be given a loan.

Even so, if the principles of online and offline financing are nearly identical, the same cannot be said for the actual practice of online and offline financing. The Internet has allowed the lending institutions that operate online to expand their services, reduce their prices, and cater to the needs of individual borrowers. We have summarized the practical differences between online and offline lending into four categories: Convenience, Cost, Competition, and Empowerment.

Convenience. For Donna Parris of Danville, Va., the convenience of getting a loan online was most apparent in the speed of the financing process. Parris and her husband needed a loan for a car they wanted to purchase. After investigating some traditional offline lending institutions, she decided to see what car financing options were available online.

Parris quickly stumbled across Car Finance.com (<http://www.carfinance.com>). After making a call to NationsBank, the financial institution that underwrites the site, Parris completed the online loan application. Within two hours, she received approval of her loan application. But that's not what surprised her the most.

"We were really just shocked when, in less than 24 hours, Federal Express handed my husband an envelope with the money," Parris recalls. "I mean less than 24 hours." Parris recalls, "It was the easiest thing we've ever done. We were just amazed. I still didn't believe it was real until I got the tickets to make the payments."

Speed isn't the only convenient aspect of online financing, though. Online financing also involves fewer face-to-face meetings, which can help working individuals who want to avoid the hassle of scheduling meetings during normal banking hours. The Web is open 24 hours a day, so borrowers can fill out their loan applications at 3 a.m. if that's the most convenient time for them to do it.

Additionally, online financing minimizes the amount of paperwork typically associated with the lending process. Because online applications are completed in an electronic format, the information can be replicated and distributed to the relevant parties easily.

Finally, borrowers can find the answers to many of their financing questions just by pursuing the lender's Web site. This reduces the time spent on the phone waiting on hold or in a line at the bank. It also minimizes the borrower's dependence on a specific individual at the bank. If Suzanne the loan officer is sick, for example, online borrowers are not inconvenienced by her absence. Offline borrowers, however, will have to wait for Suzanne to get better before receiving answers to their important questions.

Cost. In an ideal world, borrowers would have to pay back only the principal of a loan. Unfortunately, this isn't an ideal world, and borrowers are responsible not only for the principal but also for any processing fees that accompany the loan, as well as the interest that accrues during the life of the loan. Depending on the size of the loan, the fees and interest can add up to tens of thousands of dollars over the life of the loan.

Fortunately for cost-conscious borrowers, the Internet makes it possible for lending

institutions to offer lower interest rates and lower processing fees than the rates and fees charged by their offline competitors. The primary reason why online lenders can do this is because they have lower overhead costs.

Online interest rates and fees tend to be lower because you're driving a lot of the cost out of the transaction, explains Robert Fether, president of CarFinance.com. "You have less processing costs. You don't have any data entry. You don't have a bunch of salespeople that are calling on dealers. The staffing levels are less so that it does cost less. We pass the savings on through lower interest rates."

These may seem like fairly insignificant cost-cutting measures, but they do add up. Just ask Timothy Allenbach, an account executive with Ingram Micro in Santa Ana, Calif. Allenbach has seen first-hand just how expensive online financing can be. When he finally decided to buy a new home, he took the time to interview some local lenders. One local lender wanted to charge Allenbach a couple of thousand dollars for processing the loan.

When Allenbach questioned this fee, the lender had a quick response. "He said 'Everybody's going to have to charge you something to process your loan,'" Allenbach recalls. "And he said 'If you can find somebody out there who's only going to do it for a couple hundred bucks, then you should go with them.'"

So Allenbach went online and did just that by finding a lender who only charged him a scant \$400 processing fee—at least \$1,600 less than the price quoted by his local bank. "I thought this is pretty unreal. I'd better check into it and make sure it's all real," Allenbach says. "So I called the lending company and said, 'You put everything in writing, and we'll move forward. Without baiting an eye, that's what they did. It was by far the easiest loan I've ever done.'"

Competition. Competition is nothing new to financial institutions. Banks have long advertised their interest rates as a means of enticing customers. But the competition brought about by the Internet is unique. It's more numerous and less forgiving than the polite competition that previously existed among local brick-and-mortar branches.

This increased competition can be traced to two factors. The first factor is

LendingTree GET IT DONE

Know Within Hours

STAGE 1: CREDIT CHECK

STAGE 2: DOCUMENTS

STAGE 3: FUNDING

STAGE 4: CLOSING

STAGE 5: DELIVERY

STAGE 6: PAYMENT

Competition among online lenders can be fierce. Some sites, including LendingTree, even get lending institutions against one another in a bidding process to attract the borrower's business.

1. First, you'll get a quick response from the lender.

2. Then, you'll get a quote for the loan.

3. Next, you'll get a list of documents to provide.

4. After that, you'll get a list of questions to answer.

5. Finally, you'll get a list of lenders to choose from.

6. And, you'll get a list of lenders to choose from.

\$299

Online lenders, such as CarFinance.com, send the loan check directly to you before you make a purchase, letting you function as a cash buyer at the dealership.

100

Before the rise of the Internet, borrowers were at the mercy of their local lenders. The only way to obtain information about interest rates and fees was to pay a personal visit to each institution. To compare rates and fees, you had to create your own database of information. Back then, most people didn't even know how to estimate how much they could afford.

They weren't able to rush ahead the confusing financial terms and legal jargon that often accompanied the sale. Although, fortunately, we were very fortunate to find a lawyer who was able to explain the terms and conditions in a way that was both clear and concise. The lawyer also helped us to understand the legal implications of the sale and to negotiate the terms of the sale. The lawyer also helped us to understand the legal implications of the sale and to negotiate the terms of the sale.

[illegible][illegible][illegible]

payments for a set period. At the end of that period, the entire remainder is due.

agreeing to accept responsibility for the loan if the primary borrower cannot repay it.

fixed-rate mortgage—A loan for which the interest rate has been set for the life of the loan.

encryption, SSL is the most popular encryption method on the Web.

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Security validation from an online source, such as TRUSTe (<http://www.truste.org>), is one sign that an online lender is concerned about the security of your personal information.

experian

• **Experian**
• **Experian**
• **Experian**

Experian is the leading provider of credit information and credit services in the United States. Experian is a member of the Equifax Group, which also includes Equifax and TransUnion.

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Pricing Information

The price of a customer credit report is \$6.16, plus delivery charges for shipping.

- Customers - \$6 plus \$2.50 fee
- Banks - \$5
- Advertising - \$6 plus \$2.50 fee
- Veterans - \$7.25

By visiting a credit bureau, such as Experian, borrowers can obtain copies of their credit reports for \$8 or less.

otherwise. I had the ability to really deal on the price instead of doing payment shopping, where people go into the dealership and

for they're confronted with a salesperson that says 'How much can you spend per month?'

Additionally, Weleby says, online financing was empowering because it involved few risks. 'The offer they had was much that if you

"So I thought there was really very little risk in applying. If I didn't like the terms or I felt that it wasn't going to be good for me, I wouldn't

■ **Dealing With Online Lenders.** By now, it should be obvious that online

Identify potential reasons not to go online. Online financing isn't for everybody. There are a few valid reasons certain individuals should not use this form of online financing. The first of those reasons is a bad

sion man on a first-name basis probably shouldn't get too optimistic about successfully obtaining a loan via the Internet.

lenders that specialize in making loans to people with imperfect credit. The ideal candidate is someone who wants to get a loan right now. Someone who's really serious in the market.

fees. Nevertheless, you shouldn't let a mistake on your credit report prevent you from applying for a loan online. You never know who might make you an offer.

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finding an online lender who is licensed in your state or country.

A third reason that may prevent you from using an online lender is your own fear. If you distrust electronic communications, have difficulty giving out your Social Security number over the phone, and shred all paper documents that leave your home or office, then the Internet probably won't meet your stringent security requirements. We should point out, however, that no lending option is 100% fraud-proof—online or offline. Your local bank branch is just as vulnerable to crime as your computer is.

Know your credit history. If you haven't kept track of your credit history, this is a good time to make an assessment.

For the most accurate record of your credit history, you can order a copy of your official credit history from one of the three major credit bureaus: Equifax (<http://www.equifax.com>), Experian (<http://www.experian.com/product/consumer/online.html>), or

Trans Union (<http://www.transunion.com>). A standard credit report sells for \$8.

Reviewing your credit report is a smart idea, even for people who believe they have perfect credit histories. Plenty of responsible individuals have had their credit histories ruined or thrown into disarray by criminals who have stolen credit cards, social security cards, drivers licenses, and checkbooks.

Have realistic expectations. One of the greatest benefits the Internet offers you as a potential borrower is the opportunity to use financial calculators. These calculators help you determine how much money you can afford to borrow, the size of your loan payments, the amount of interest that will accrue on the loan over its life, and other statistics about your loan. With this information, you'll have a realistic idea of what to expect when it comes time to deal with the lender. You can find calculators at most online finance sites or at one of the Web's general

calculator sites, such as Financenter (<http://www.financenter.com>).

You also need realistic expectations about the financing charges you'll encounter when you get your loan. Take advantage of the fee estimates posted at many online financing sites or review a Good Faith Estimate (GFE) for a general overview of the fees commonly assessed against borrowers when they take out a mortgage. ELOAN and Homeowners.com (<http://www.homeowners.com/goodfaith.html>) are just two of the many sites that provide helpful GFEs. By reviewing fee estimates and a GFE, you'll know which fees to expect and how much those fees will cost you.

Pull together your financial documents. Most online loan applications ask you to provide only the most basic information, such as your name, address, Social Security number, income, estimated debts, and value of your home. That information alone may be enough to get you an auto loan

Internet Security For Transactions

When I'm on the Internet, I'm always concerned about the security of my transactions. I've decided to apply for a new car loan, and I'm worried about the security of my transactions. I've decided to apply for a new car loan, and I'm worried about the security of my transactions. I've decided to apply for a new car loan, and I'm worried about the security of my transactions.

Steven Weisberg, a program manager from Hopkinton, N.H., agrees. "My information is out there already in so many different forms," Weisberg says. "I don't know how much different it is from talking on a wireless telephone. It's an illusion for people to think that other means of communication are completely safe."

Nevertheless, there are a few security measures you should take when using the Internet for any type of financial transaction. First, make sure you're dealing with a credible institution. Big-name institutions or institutions with whom you've conducted previous business offer the most credibility. Institutions that

are also well-known in the real world are a good sign. For example, if you're applying for a loan, make sure the lender is a well-known financial institution. If you're applying for a loan, make sure the lender is a well-known financial institution. If you're applying for a loan, make sure the lender is a well-known financial institution.

or a small personal loan, depending on what your credit report looks like. But if you're applying for a larger loan, such as a mortgage or a home-equity loan, you might be required to provide financial documents that verify the information on your loan application. In most cases, lending institutions will require you to mail this information to them, along with your signed application. Among the documents you may be required to provide are:

- tax forms (including W-2s and 1099s) for the past two years
- pay stubs showing current year-to-date earnings or, if you're self-employed, federal tax returns for two years and a current profit or loss statement
- bank, investment, or retirement account statements for the past two months
- credit card statements showing account numbers and current balances
- account statements or payment stubs for all existing loans and leases
- a business card of your real estate agent
- your homeowners insurance policy

Understand the process. Getting a loan involves more than just filling out an online loan application. Indeed, the loan application is simply the first step in a lengthy process. Although this process differs depending on the type and size of the loan, there is a general pattern that most loan processes take.

Typically, the loan process begins with an application, in which you notify the lender that you want a loan. Next, the lender reviews your credit history and assesses your financial worthiness. After that, the lender should be able to give you an approval or rejection and facilitate the contract signing process. Once you sign the hard copy of the contract, agree to repay the loan, and then mail the contract to the lender, the lender can finalize the issuance of the loan. Additionally, the lender might require you to submit verifying documentation and you might even have to engage in a few phone calls with a loan consultant.

(NOTE: Digital signatures, which consist of digital code that verifies the unique identity of an individual during Internet transactions, are not yet accepted by many lenders.)

Use the FDCB Institutional Directory (<http://192.167.28.50/4> or <http://www.fdic.gov>) to see if your online lender is registered with the Federal Deposit Insurance Corp.

Direct lender or broker? The last item you should check on before you decide to fill out an online loan application is whether the Web site to which you are applying is operated by a direct lender or a broker. A direct lender is a single financial institution that offers you a loan directly. A broker

most loan types," says York of LendingTree Inc. "For higher priced items, like mortgages and home equity loans, there's still personal contact that takes place. But over time, I think it will become more streamlined, more automated, more instantly [decided]. You'll be able to deliver documents electronically and that will speed the process along." York says the key to this additional convenience is the acceptance of digital signatures. Currently, individuals must sign a contract or loan agreement in ink to close the loan. The acceptance of digital signatures is a change that will come gradually with time, as individuals become more comfortable with Internet technology.

A second trend that consumers might soon see is a greater unity between online financing and online commerce. Ideally, a consumer would be able to purchase an item and obtain complete financing for that item without leaving the Internet.

The relationship between online financing and shopping is budding at quite a few Web sites already. For example, GM BuyPower (<http://www.gmbuypower.com>) allows a consumer to shop for a vehicle and then apply for auto financing directly online. Then, if the consumer's application is approved, GM sends an E-mail certificate that the consumer can use at an authorized GM dealership. Ford Motor Co. offers a similar service at its Buyer Connection site (<http://www.buyerconnection.com>).

Whatever happens in the future, brick-and-mortar institutions aren't going anywhere. Many consumers will want and need the hands-on service that only an offline institution can provide. Even so, offline institutions that really want to thrive will have to develop and maintain an online presence for the group of consumers who don't need or want personal attention.

The first day Cudworth went online, he discovered that he didn't need the personal attention of his local bank branch to get a loan that was right for him. Thanks to the Internet, you might find that you don't need it either. ☐

by Ed Del

"I think ultimately, [borrowers] will be able to do just about everything online for

A Bird's-Eye View On Finance Sites

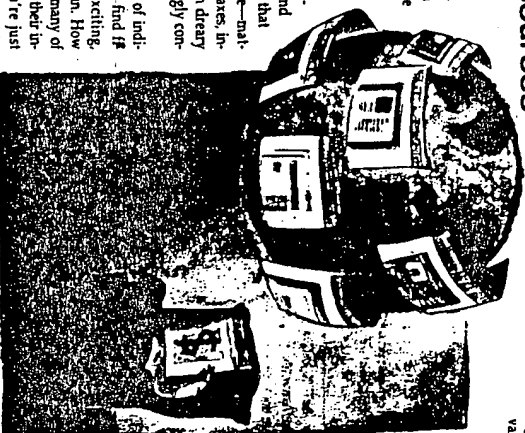
A Guide To Important Financial Resources

Most of us have a love-hate relationship with money. We love having plenty of funds, but we hate having to deal with financial matters. The freedom and peace of mind that come with financial independence are considerable. And yet mastering the information that will give us that independence—matters like insurance, budgeting, taxes, investments and credit—can seem dreary or boring at best, and frighteningly confusing at worst.

Fortunately, there are plenty of individuals and organizations that find if financial matters fascinating, exciting, simple, and sometimes even fun. How lucky for the rest of us that so many of them provide Web sites to share their insights and enthusiasm. If you're just starting your financial life and want to assure a sound future, or you're seeking help with something that's making your eyes glaze over, or you're looking to ward off financial disaster, there are Web sites offering help. We've taken the work out of finding them by highlighting some of our favorites below.

General Financial Information

Yahoo! Finance
Yahoo!'s finance area lets you focus on an incredible amount of financial information with just a few mouse clicks. Yahoo! sorts its offerings into eleven categories: U.S. Markets, World Markets, Research, Loans, The Investment Challenge, Reference, Editorial, Financial News, Taxes, Insurance, and Community. For example, click Research. By industry, then click Glass Products, and in a moment



Quicken

There is far more here than promotion and support of Intuit's Quicken software. This Web site is a financial information resource that should not be overlooked. You can find answers to questions about your small business—everything from publishing a newsletter to choosing an accountant or lawyer. You can even get answers to questions about incorporating or copyright law. Track your portfolio online, get valuable information on planning for retirement, learn the best and fastest ways to reduce debt, and much more. A lot of the information offered is part of the Quicken site itself, but this site doesn't hesitate to send you to other Web sites when it's helpful. For example, many links will take you to sites where you'll find first-rate articles covering the topic of your choice. Departments include Investments, Homes And Mortgages, Insurance, Taxes, Banking And Credit, Small Business, Retirement, Life Events, Saving And Spending, and Financial Forums. Quick-access features include portfolio tracking, market tracking, top fund picks, a mortgage finder, and instant insurance quotes.
<http://www.quicken.com>

MSN Money Central

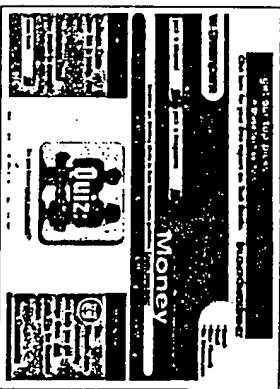
Microsoft's portal into financial news and information is about as wide-ranging as its competition, but the emphasis here is on the news. The chart of Dow Jones, Standard And Poor's, and NASDAQ indexes will probably be the first thing to catch your eye, while the bulk of the screen real estate is devoted to a display of article headlines. On top of the list are the newest articles to appear on the site, followed by financial news headlines from MSNBC. Microsoft's partnership with NBC. Right below the index chart are links to areas concerning investing, money and banking, retirement and wills, taxes, real estate, family finance, smart buying, and insurance. One nice touch here comes in the newsgroup devoted to financial matters, where users can ask Microsoft's resident experts questions. The site's biggest drawback is that finding your way around isn't always as intuitive as it could be, so it pays to look at the site map or the Help page. Links to both are in tiny print beneath the link to the Today's Best article.
<http://moneycentral.msn.com/home.asp>

Women's Wire: Money

This site is written with women in mind, but it is by no means just for women. The site's content is geared toward the beginner. The primary assumption behind the content and presentation is that the readers are bright and motivated to improve their financial situation, but haven't had much in the way of financial education. Women's Wire's Money area is therefore long on basic information, such as introductory material on savings, tips on accumulating stock in an economical manner, information on dealing with credit limits, and so on. Don't get the impression that the entire site is exclusively for beginners. There's an area devoted to power investing, and even a means of joining or forming investing clubs online. You'll find full access to stock quotes and financial news from Bloomberg Market News. Furthermore, the site includes live chat areas, message boards, and advice from experts. Much of the information here comes from questions to, and answers from, resident expert Nancy Dunham, who writes under the name Cash Flo.
<http://www.women.com/money>

MoneyMinded

Women's Wire: Money is aimed primarily at women, but offers plenty for all readers. Unlike that site, MoneyMinded is set up more like an online magazine. You'll find feature articles on general topics such as spending, real-life investing, love and money, and financial security. One interesting regular offering is known as "Confessions." In this interactive feature, users offer up their biggest financial mistakes with the idea of sparing others from making similar blunders. Other users chip in with supporting information. And if your tastes are a little more unconventional, you might enjoy checking "Ask Henry," where you get advice from a financial astrologer. Of course, MoneyMinded also provides the traditional online features, including stock quotes, links to research, and a facility for tracking your portfolio. You even get a say in upcoming contents. The You Asked For It survey on the home page allows users to vote on what feature article they'd most like to see next week.
<http://www.moneyminded.com>



Don't make the mistake of thinking the Money's Wire Money area is for women only. It's quite interested in finances for beginners, too! And plenty to learn here.

Armchair Millionaire

Don't get the idea this is a site for lazy millionaires. It's for ordinary people who want to build a million-dollar portfolio from the comfort of their homes, without picking pennies to the point of taking the fun out of life. The idea is not to do anything dramatic, like being the first to spot the next Microsoft, but to use common sense and grow rich slowly but surely. Five principles make up the basis of their approach: Lower your taxes with tax-deferred investments; pay yourself first; invest automatically using dollar-cost averaging; build a smart portfolio, and start today. The Five Steps School explains each concept in detail and shows why it works. You can also check out model portfolios and see what other Armchair Millionaire members are doing. Members interact through various communities. Each of these communities has its own home page; a variety of message boards, and live chat.
<http://www.armchairmillionaire.com>

Deloitte & Touche Online

This well-known financial counseling firm puts together a site loaded with good advice and up-to-date information. While other news-oriented sites can overwhelm you with articles, this site's home page puts forward a few top stories of general and lasting interest. You'll find a financial tip of the week, often relating to new developments. Previous tips are archived, so if you miss a week, you don't miss out. Other areas cover personal finance, small business finances, and tax news and advice. Each area is loaded with articles and expert insights. Beyond offering generally

helpful information, the tax area is home to news stories about the latest tax developments from congress, the courts, and the IRS. A library area provides text from selected Deloitte And Touche publications and offers other publications for sale.
<http://www.deloitte.com>

ThirdAge Money

The target audience here is active older adults who have finished or are nearly finished with building a career and raising a family, but still have many productive years ahead. Investing information focuses less on the very long-term and concentrates more on medium range strategies or on investing for income. The home page for ThirdAge's Money area is loaded with eye-catching links to a variety of information, but much of the most important content can be reached through the six prominent drop-down menus. The Brain Booster. Tuorale offers basic guidance on investing, from determining how much risk is acceptable to figuring what to buy and when to sell. The Rules menu offers calculators, formulas, and loads of thumb to help you figure out what you should be doing and how well things are going. The menu titled Features takes you to the articles the folks at ThirdAge consider must-reads. These articles cover such topic areas as planning, investing, spending, and related matters. The Forums menu takes you to online discussions with other ThirdAge members. Experts in their associated fields host many of these discussions. There's also a menu that takes you to articles written by ThirdAge's savvy financial commentators. The sixth menu offers links to other financial Web sites that the ThirdAge staff considers the cream of the Internet crop.
<http://www.thirdage.com/money>

CNCurrency

The breadth of this Web site is obvious at a glance. Although the layout is both beautiful and attractive, it's actually little more than a well-illustrated index of links to information. Headlines showcase the six main categories of personal financial basics: banking and financing, smart investing, how or money, saving for the future, and your money online. Each offers immediately accessible links to four main subtopics plus the fifth option called More. A set of secondary headlines presents links to discussion forums and online calculators for

determining everything from a comparison of buying versus renting to the cost of eating out. You'll also find a link to stock quotes and a handy glossary of financial terms. An enjoyable aspect of this site is an array of finance-related personality quizzes. You can check out your money personality, rate how your balance career with relationships, test your knowledge of 401K retirement plans, see what financial baggage you've inherited from your parents, and more.

<http://www.cnnmoney.com>

General Financial News Online

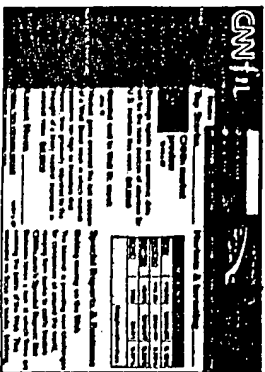
CNN

If you're not familiar with CNN, it's the financial news division of the CNN cable news channel. Rather than tuning in on TV, you can log in here to find the specific news you desire. There are two major ways to look up financial news stories of interest. You can look at the headline news briefs and then, if you wish, click Full Story for more details. Or you can look at the News menu and pull up stories by topic. Topic titles include Deals, Companies, Technology, Women And Finance, Small Business, Industry Watch, Big Buzz, Ahead Of The Curve, and Special Reports. There's also a menu of headlines on the latest breaking news. One beneficial feature of the latest news links is that each headline is marked with the time it was updated, so you can tell at a glance when new facts are posted about a story you're following.

<http://cnn.com>

Newshub Financial

If you want to ensure you're getting the most recent updates on financial news, but



CNN, presented by the financial news arm of the cable news network, gives you a choice of browsing the headlines or searching for the topic in which you're interested.

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don't like to rely on a single source or don't go chasing all over the Web, Newshub Financial is worth a look. This Web page is simply a list of headlines with links to the stories. The headlines are listed in order of how recently they were updated, with the most current first. Furthermore, stories here are categorized by time so you can tell at a glance approximately how old each one is. Headlines in the first block are less than 2 hours old. The next are two to four hours old. Next come those four to six, followed by six to eight. Listings on the page are updated every 15 minutes. Story sources include FOX news, Nando Media, PR Newswire, Wall Street City, Yahoo! Business Summary, and others.

<http://www.newshub.com>

Financial

SmartMoney.com

Information here is brought to you by two of the biggest names in financial news and general reporting. Dow Jones and Hearst Commu-

cations. The setup is that of a news magazine rather than merely an arrangement of off-the-wire type stories. It's not that the stories are any less timely, but merely that the home page presentation is closer to what you would expect from an online magazine and many of the articles are written in an engaging magazine style. SmartMoney.com does not sacrifice rapid reporting for the sake of friendlier styling. You'll find the latest headlines listed under the headings Market Today and Breaking News. The former connects you to the top stories dealing with the latest trading while the latter covers the most recent developments in a broader range of business and financial news.

<http://www.smartmoney.com>

Taxes

Internal Revenue Service (IRS)

Spend a few minutes here and you'll probably think, "Why couldn't the people who wrote and designed this Web site have created the tax forms and instruction packages?" The IRS's Web

site is easy to follow, clear, highly informative, friendly, and sometimes even fun. Here you can find a wide variety of tax statistics, get general information on personal and business taxes, find up-to-date IRS bulletins, download tax forms, find help with problems and more. There's even an area devoted to tax regula-



Here's tax information right from the source—often presented in a manner more readily interesting and easier to understand than you'll find in the printed publications.

tions in plain English. You'll still need to know basic financial terms to get the most out of this area, but a great deal of confusing legalese has been stripped away. Graphics are used with restraint so most people will find that these pages load quickly. Even better, the IRS has been considerate enough to provide the option of using a text-only version for still greater speed.

<http://www.irs.gov>

1040.com

Drake Software, manufacturer of tax income tax filing software, is the company behind this site. It put a lot of effort into making this site an extremely simple and easy-to-use resource. Information is arranged logically, making it a cinch to find anything from the latest tax-related news to the mailing address for your state return. Most of the general information is under the Taxing Subjects heading, where you'll find a wide variety of general tax information. Other headings take you to selected information from the IRS electronic bulletin board, sites to find federal and state income tax forms, U.S. postal addresses for state departments of revenue and regional IRS centers, state department of revenue Web sites, and links to other tax and finance-related Web sites.

<http://www.1040.com>

TaxWeb

Claiming the distinction of being "the Internet's first consumer-oriented source for federal, state and local tax-related developments," TaxWeb has arranged a wide assortment of tax resources for easy use. The top of the page features a news ticker that scrolls the latest-breaking tax news across the top of your screen. Just click a headline as it streams by, and you'll connect to more detailed information. The general links below take you to the expected information, including where to find federal and local forms, information on where to file, IRS and state department of revenue Web sites, and more. You'll also find Frequently Asked Question (FAQ) file about a wide assortment of tax topics, a link to information about the IRS's enforcement record (including the odds against being audited), a directory of tax-related publishers (including publishers of software and seminar providers), and a directory of tax-related organizations. If you'd like to be able to ask questions about and discuss tax matters, TaxWeb will show you where to find online discussion groups and mailing lists.

<http://www.taxweb.com>

Tax Analysis Online

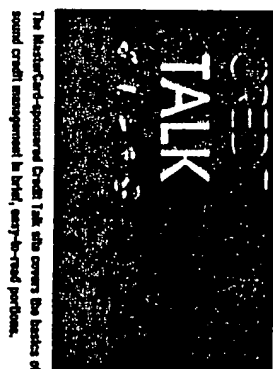
If you're looking for a wider range of tax information, one that goes beyond the state and federal tax scene, spend some time on Tax Analysis Online. It's a presentation of Tax Analysis, a nonprofit organization that exists to provide tax information and stimulate discussion of tax issues. The site's goal is to encourage the development of fair, simple, and efficient fiscal systems. The articles here cover tax topics worldwide. This includes news about international tax legislation and in-depth explorations of tax issues around the globe. Here you'll find the Tax History Project, which provides historians, scholars, and whomever else is interested with information on the history of American taxation. Don't miss the gallery of historical editorial cartoons on taxation.

<http://www.tax.org>

Loans & Credits

Consumer Credit Guide

Looking to get a quick overview of basic credit information? Consumer CreditGuide, a site sponsored by FirstUSA Banks, has boiled the essential principles down to brief, easy-to-digest paragraphs and checklists. The site's six



The MasterCard-sponsored Credit Talk site covers the basics of sound credit management in brief, easy-to-read portions.

areas deal with the warning signs of dangerous debt levels, balancing a budget, steering clear of fraud and scams, caring for your credit record, and information on other resources for more detailed information.

<http://www.mastercard.com>

Credit Info Center

This is far from the slickest, most beautiful, or even the best-written site in our roundup of financial Web sites. However, there's a personal passion driving this site that makes much of its content engaging and sometimes gripping. The creator of Credit Info Center is Kristy Welch, a mechanical engineer turned loan officer turned Web site developer. She deals with personal financial information in the manner of a neighborhood expert sharing the latest information and the benefit of her experience with her friends. Much of the content is devoted to those who are experiencing credit problems or are at the stage where they need to make serious decisions in order to avoid serious trouble. Therefore, a lot of the site deals with rebuilding or repairing credit, using credit consolidation and counseling services, bankruptcy information, and the like. But there's also useful information on credit card and mortgage rates, credit reports, loans, and mortgages. What's particularly clear is Kristy's desire to save her readers from as much confusion as possible. Be sure to check out the scam alerts area.

<http://www.creditinfo.com>

Insurance

Insure.com

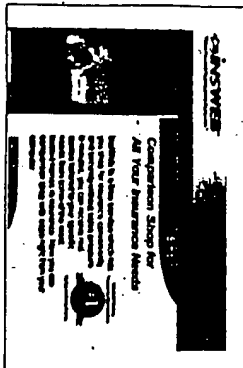
If the entire world of insurance seems too confusing, and you're not sure how to make good judgments, Insure.com is here to help. Visit this site and go to the bottom of the home page. Under the heading The Basics, you'll find nearly 50 easy-to-read articles covering such topics as how to choose an insurance company, the rights of newborns and their mothers, how disability insurance works, how to file a claim, what cars are most popular with car thieves, and much more. Then turn your attention to the rest of the site. It's basically a news service combining the insurance field from a consumer's point of view. Insure.com is independently run and not affiliated with any insurance company, so the staff tries to provide unbiased information and help on all forms of insurance so that you can make better decisions about your own coverage needs. You might find a story about new health insurance rights created by recent legislation in your state or new tips for getting more insurance for your buck. There's also information on how to protect your vehicle from auto theft. You'll probably want to check the Insurance Company Complaint Finder to see which companies have the most complaints from customers. There's even a lawsuit library that tracks insurance-related suits, settlements, and fines.

<http://www.insure.com>

InsWeb

The main purpose of this site is to allow you to comparison shop for various types of insurance online. Click on the type of insurance you're interested in, fill out the online questionnaire, and you'll get a list of the companies interested in giving you quotes. Select the ones you're interested in and click Quote Me. Those

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you should be aware of, and what you should and shouldn't do if you have an accident.

Miscellaneous

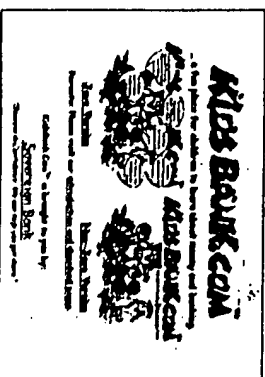
KidsBank.com

If you'd like your young children to start developing some financial smarts, here's a site that can help. It's provided by Sovereign Bank to teach kids about money, saving, and

more than simple comparison shopping. The Do-It-Yourself Tools section provides ways for you to figure out just coverage needs, analyze factors that affect your coverage, compare rates, research investment opportunities, and more. The Library of articles offers an assortment of information to help you better understand how various types of insurance work, what your options are, how to protect yourself from losses, and other information that makes insurance topics easier to comprehend.

BBB Tips on Auto Insurance

This is the online edition of the Better Business Bureau's booklet on auto insurance. It discusses important insurance issues that vary from state to state, how to choose your insurance company, how to select the right type of coverage, questions you should ask your insurance agent, tips for saving money, terms



Young readers can browse the KidsBank.com site to start learning about money and saving. Even younger children may enjoy having it read to them.

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Other Sites To See

Here are a few more sites you may find useful:

CarFinance.com
<http://www.CarFinance.com/Enl>

Debt Counselors of America
<http://www.dca.org/home.htm>

Financial Times
<http://www.ft.com>

CMAC Financial Services
<http://www.gmacfs.com>

GO Insurance
<http://money.go.com>

State and Local Tax Sites
<http://www.burdes.com/stat>

The Debt Reduction, Retirement Planning, and Personal Finance Homepage

Exchange/1736

The Tax Prophet
<http://www.thetaxprophet.com>

certified professionals to help you with various aspects of your financial problems, and information on ABI books and conferences.

<http://www.abhworid.org>

The Consumer's Almanac

The Consumer's Almanac is a terrific publication from the U.S. Government's Consumer Information Center. It's full of tips, tools, and worksheets to help you organize your finances, plan for the future, and manage your money and credit. The latest version of this classic publication is the 3th edition, which this Web site presents in electronic form. If you'd like some smart tools for taking greater control of your financial life, pull up this Web page and print it out for reference.

http://www.pueblo.psa.gov/cb_herd

by Steve A. Glaser & Elizabeth Lewis

Finding

Loans Online

Financial Web Sites Simplify The Process Of Money Lending

Eraig Brooks, a salesman from Murietta, Calif., is no neophyte when it comes to applying for a home loan. Brooks bought and refinanced his first home a few years ago, so when he was ready to buy a house for the second time, he knew exactly the right way to go about it. He waited until the interest rates were down, and then he shopped around for the best rates. He read magazine articles and visited a number of mortgage brokers and bankers. He checked out finance companies and compared loan percentages and points.

Once Brooks found the best deal, he went through a standard application process. He substituted all the necessary information and corresponded with the loan officers. It was almost the same procedure that he went through when he first bought a house. Only this time, he did it through the Internet.

www.eLoan.com), a Web-based company that brokers loans has discovered E-LOAN (<http://www.eLoan.com>), a Web-based company that acts as a mortgage broker, mortgage banker, or both—and in all 50 states. E-LOAN lets individuals apply for home financing online, and it then searches for the best rates and presents them to its customers. The customer then takes the same steps necessary when applying for the mortgage loans, such as supplying the required documentation and communicating with a loan consultant.

"I was not hassled like I was the last time I took out a home loan, and back and forth correspondence was all handled by E-mail," Brooks says. Another benefit, he adds, is that "I found E-LOAN to be below the average on all their charges. When signing the papers at a title company locally selected by E-LOAN, I inquired how their charges E-LOAN was making compared with

other lenders. The girl there replied that they were a lot lower than she was used to seeing, which confirmed my feelings."

■ The Growth Of Lending Money

Online. Brooks isn't the only one who is finding out that going online to apply for loans can be a smart move. Nationwide, consumers are beginning to use the Internet to find and

Forrester predicts that it could hit \$167 billion, applying to all types of loans, such as loans for mortgages, automobiles, education, and small businesses—just to name a few. Although online credit will account for just 1% of a lending market worth \$2 trillion this year, according to a recent study called Credit At The Threshold from Forrester Research Inc., the online credit market is about to skyrocket.

[illegible]

Credit At The Threshold, a recent report from ForresterResearch, shows how the online loan application market is poised to explode.

day, seven days a week

And thanks to the Web, you don't have to set aside a chunk of time out of a busy day,

scorer practice, and then return to the online application process—all without missing a beat. Plus, you can refer to electronic documents quickly and easily while filling out the form.

andonymity it provides leads to a much more pleasant experience. Privacy's another reason why consumers are turning to loan applications via the Internet. Anyone who has ever been turned down for a loan knows how disconcerting the loan process can be. It's bad enough to learn you don't qualify for a loan and may not be able to acquire the desired car, home, or boat; but if no one likes the added humiliation of it not being face-to-face that you aren't "good enough" to borrow money. On the Internet, it's turning to loan applications via the Internet. Anyone who has ever been turned down for a loan knows how disconcerting the loan process can be. It's bad enough to learn you don't qualify for a loan and may not be able to acquire the desired car, home, or boat; but if no one likes the added humiliation of it not being face-to-face that you aren't "good enough" to borrow money. On the Internet, it's turning to loan applications via the Internet.

And, of course, there's much easier to compare. Online, it's as easy as making a dozen phone calls to a dozen lenders. And with a few clicks, you can make one phone call (from computer) to the Internet service provider (ISP/modem). And with a few clicks, you can make a mouse button, you've efficiently combed rates from scores of lenders. Some sites collect rates from numerous lenders, while others simply display their own rates, but either way, it's generally easier to scour rates than it is offline.

"We think that our all-in costs will be phenomenally lower online," says one mortgage lender from the Credit At The Threshold report. "We'll save 80% in sales and marketing costs per loan, and our customer service costs will be much lower."

■ Internet Issues To Analyze. The first, and probably the most important from the consumer point of view, is the issue of security and privacy of information. Although the Internet increasingly is becoming policed by the government and private organizations, it is still the home of unscrup-

The second drawback, and probably the most important from the lenders' perspective, is that government laws and regulations tend to play catch-up with the Internet. For instance, sales were taking place online long before the government had addressed the issue.

■ **Online Loan Process Variables.** Even with these hurdles, however, the online loan application market is booming, and lenders are coming up with a variety of ways to serve the public. Some supply the money directly, some act as middlemen by presenting individuals with a variety of options, and

One of the most common ways banks and brokers provide their customers with online loan application services is to start off with an

First, the consumer goes to the Web site and chooses a loan category; in this case,

100

allow consumers to apply for loans online

and then determines which lender is best suited for this applicant, presenting the applicant with a short list of options.

tion form, the information is sent through LendingTree's system. The company runs a credit check on the consumer and passes the application through its internal filters, where it is matched up with up to four lenders out of

If the consumer meets the criteria for more than four lenders, LendingTree chooses four at random. And according to Founder and CEO,

Within two business days, the lenders decide whether to offer a deal to the borrower; they each post their decisions on the LendingTree Web site and LendingTree sends

LendingTree is not a lender itself; rather, it acts as an online broker that puts consumers directly in touch with lenders. E-LOAN, on the other hand, acts as both a mortgage broker and a banker, depending on the circumstance (for

As you can see, the online application process (or processes) shares many similar characteristics:

ples all the necessary documents, such as the previous year's tax returns and any current mortgage paperwork. The difference lies in how these tasks are carried out. Much of the communication is done electronically with

■ Join The Site-Seeing Crowd.

Company: _____

Home loans. Currently one of the biggest categories of online application sites, home-related loans abound online for consumers looking to buy, refinance, or borrow against a home's equity. We've already mentioned three (E-LOAN, the LendingTree, and Creditland), and below are some others to consider.

Mortgage.com (<http://www.mortgage.com>), a mortgage banker based in Florida, has one of the most helpful and complete online loan applications. Its features include fully encrypted data, buttons that change color when you complete sections, an analysis of an applicant's material, and a printable summary. The site also carries plenty of useful resources.

Wells Fargo (<http://wellsfargo.com/per/accounts/equity>), one of the pioneers in the online banking industry, allows its customers to apply for home equity loans online. The frequently asked questions (FAQ) section answers dozens of questions such as whether

makes up the bulk of this site's home page

[illegible]

ment) is listed. The business may list its name, but you may not be able to put your small business in a search engine. In a search engine, you can find out if a business does not exist, but you cannot find out if it does.

One of the premier sources for obtaining a small business plan is *UsaWeb* (<http://www.usaweb.com>). The other only financial service was developed by *Netherlands Inc.* of Burlington, Calif. And although it has only

been around for a few years, it has already made a name for itself. It is a company that provides a variety of services, including insurance for small businesses, and a network of government contractors. It has a network

tion has an application form on the Web.

[illegible]

SSA hours nationwide. ☐

Money may not grow on trees, but it sure comes close

to sprouting leaves on your computer,

thanks to the power of the World Wide Web.

Farmers First Bank (http://www.fib.com/applications/loan_app.html), a relatively small bank in Pennsylvania, has big-time content when it comes to providing Internet services to its loan applicants. Along with tools such as the lease vs. buy and mortgage calculators, Farmers First Bank offers a treasure chest of useful information, such as whom to contact in case of suspected loan discrimination. There is one catch, however: applicants must live in the Lancaster or York county area of Pennsylvania.

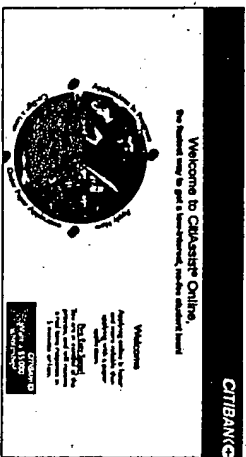
Automotive loans. Unlike the personal and home loan markets, the auto loan market has been slow to take off online. One possible cause is that dealers make much of their profits with financing and the money changes hands at the dealership rather than online. As more cars are sold via the Web, though, it's reasonable to expect that online financing will grow, as well. In the meantime, there are some sites offering auto financing online.

Autoflex Auto Leasing Co. (<http://www.autoflex.com/index.html>) is worth checking out if you prefer leasing rather than buying. The credit application is more of a prequalification form—you aren't asked, for instance, about employment history or any assets—but it's a good first step.

CarFinance.com (<http://www.carfinance.com>), a service from NationsBank Corp., is the automobile loan service favored by such sites as DealerNet and CarPoint. It offers instant rate and payment analysis, only requiring visitors to spend two minutes of their time filling out the secure online application. If you're approved, interest rates will be locked in for 60 days, and you will receive a pocket Visa, small mail that contains instructions, sample contracts, a list of FICOs, and a check draft that's valid at any franchised auto dealer.

Ford Credit (<http://www.fordcredit.com/financing>), which touts itself as the world's largest finance company, offers a wide range of payment plans for auto loans for Ford, Mercury, and Lincoln vehicles. You can also apply through a dealer, but Ford presents a convenient online application form called AutoApply. In addition, Ford is experimenting with AutoApply for the Ford Pre-Owned Showroom, a virtual showroom where users enter their ZIP codes to search for nearby quality-certified used cars.

102 Bank & Investment Sites / Learning Series



Applying for a student loan can be a painful procedure, but the application process might go a bit more smoothly if you visit a site like Citibank's Online.

PeopleFirst Finance (<http://www.peoplefirst.com/PFF/index.asp>) is one of the cleanest and easiest-to-navigate sites on the Web. This service is geared toward consumers with excellent credit. Users can check rates and terms, calculate a monthly plan, and apply online. PeopleFirst operates in almost all U.S. states, and it's featured on the CarPoint page.

Pioneer Savings Bank (<http://www.pioneersb.com>) has a small, but worthwhile, home page and consumers in New York's capital region should check it out. The automobile loan application shows just how easy it is to apply for financing online: simply fill in all the blanks and hit the submit button. An applicant will be notified of approval within 24 hours. Education loans. Applying for a student loan online can be a painful procedure, but the application process might go a bit more smoothly if you visit one of the following sites.

CitiAssist Online (<http://www.citiassist.com>), a program from Citibank and The Student Loan Corp., advertises itself as the fastest way to get a low-interest, no-fee student loan. It may not be the fastest, but it's darn close—consumers are prompted a response within five minutes after submitting the loan application. You can also start filling out a loan online and then return to the same application later by entering your social security number.

Crestar Student Loans (<http://www.studentloans.com/products/products.html>) offers a series of student loans via Crestar Bank, all of which are detailed on the Web site. Here, learn about loans for colleges and universities, consolidation loans, and loans for direct career-oriented schools.

Direct Loans (<http://www.ed.gov/offices/OEP/DirectLoan/consolid.html>) is an online service from the Department of Education that lets you fill out the Direct Consolidation Loan Application. In addition, it also describes the four repayment options.

The StudentLoan (<http://studentloan.com>) site represents a loan finder and a resource center—all in one site. Simply click the loan finder button to compare loans and apply online.

Free Application for Federal Student Aid (FAFSA) (<http://www.fafsa.ed.gov>), another service from the Department of Education, offers both grants (such as Pell Grants, which do not have to be repaid) and loans (such as Stafford Loans, which must be repaid). The FAFSA determines eligibility for these types of funding sources. To start the long journey toward obtaining federal government loans, fill out the online application.

PLATO (<http://www.plato.org>), a service from the non-profit organization EdCap Inc., helps students access private student loans, federal loan programs, and other services. The "Loan Online Application" is simple to fill out and provides helpful details about qualifications.

Agriculture loans. When talking about the online loan business, farm loans tend to be ignored by almost everyone—unless you're a farmer, that is. If you are, here are some resources for you to consider.

AgFirst Farm Credit Bank (<http://www.agfirst.com>), a member of The Farm Credit System, loans money to farmers, ranchers, and business through affiliated cooperatives. Potential borrowers may fill out a preliminary form to learn whether they qualify for the program.

Allison Leasing Company (<http://www.allisonleasing.com>) is the site to see if you are interested in leasing a new tractor or another type of farm vehicle. If so, you may want to apply for financing through the Allison Leasing Company. To do so, download the application form to your hard drive, complete it by hand, and then send it back by fax.

Farm Loan Programs (<http://www.fsa.usda.gov/dail/fip/home.html>) is a good start, but the federal government has yet to put many of its loan programs fully online. Nevertheless, borrowers can still learn about direct and guaranteed programs from this site, and then download the related

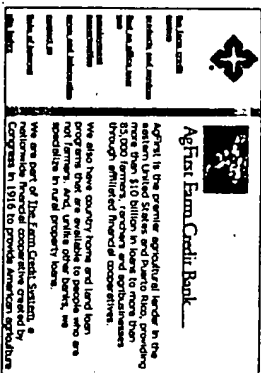
application forms. Users then need to fill out the forms and send them by postal mail.

Heritage Land Bank (<http://www.heritage-landbank.com/home.html>) targets farmers,

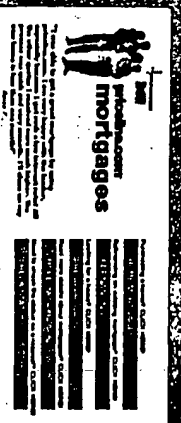
ranchers, and rural land buyers/owners in east and northeast Texas. Loan applicants considering an agricultural loan cannot fill out an online form, but they can go online to request an application.

The Greenery of The Web. Money may not grow on trees but it sure comes close to sprouting leaves on your computer, thanks to the power of the World Wide Web. Whether droves of consumers will decide to embrace this little money-making branch of technology is another story, but as online financing continues to flourish, so will consumers' confidence. Once the way sees how much time and money the Internet saves others, they'll eventually plant their roots online, as well. [E]

by Heidi V. Anderson



AgFirst Farm Credit Bank helps farmers and ranchers get the assistance they need by offering The Farm Credit System.



Using Priceline.com, you can find the best mortgage rates and terms for your home.

Using Priceline.com (<http://www.priceline.com>) is a site that lets you find the best mortgage rates and terms for your home. The site is a simple, easy-to-use interface that lets you compare rates and terms from different lenders. You can also use the site to find a lender who meets your needs. The site is a great resource for anyone looking for a mortgage.

AgFirst Farm Credit Bank (<http://www.agfirst.com>), a member of The Farm Credit System, loans money to farmers, ranchers, and business through affiliated cooperatives. Potential borrowers may fill out a preliminary form to learn whether they qualify for the program.

Checking

Loan Rates

How To Find & Compare Loans Online

One of the worst things about buying something, such as a house or a car, is finding a good loan. The Internet, however, can make the loan-finding process much easier. There is a plethora of Web sites out there that offer information and rates on mortgages, home equity loans, car loans, student loans, and much more.

Mortgage Options.

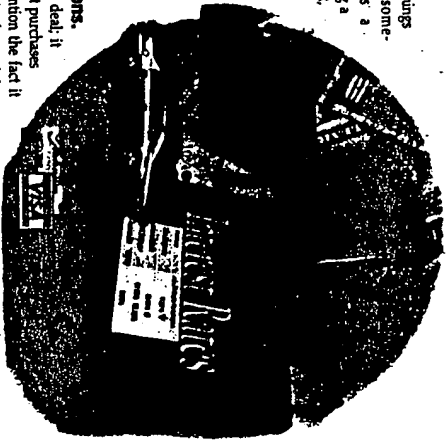
Buying a house is a big deal; it can be one of the biggest purchases of your life. Not to mention the fact it will play a major part in determining your financial condition for the next 15, 20, or even 30 years. Here are a few sites that can help:

America Mortgage Online

This Web site sorts lenders by state, which makes it easy to locate mortgages available in your area, as well as listings for nationwide lenders.

At the America Mortgage Online (AMO) home page, click the Our Daily Rate Survey hyperlink. Then, select your state on the next page. Next, you will want to further narrow your results by selecting a loan amount. A typical search will result in about 10 lenders (depending on your area of the country). The resulting chart shows the banks' names, phone numbers, the date the data was obtained (the information was a day old when we checked), the annual percentage rates (APRs), the actual rates, and the calculated monthly payments for your specified loan amount. The chart also contains a link you can use to see if you can pre-qualify for the loan.

<http://www.amo-mortgage.com>



bankrate.com

bankrate.com is a great place to start your search for almost any kind of loan. Here, you'll find links for mortgages, home equity loans, auto loans, and other loans. For example, if you click the Mortgages link on the left side of the home page, bankrate.com will open a page of information about mortgages.

If you want to search for the best rate in your state, then select your state from the Find The Best Rate For You drop-down menu at the top of the page. Next, select a city and a mortgage. The detailed list that appears includes present rates, contact information, and sometimes direct links to the lenders' sites.

You also can sign up for free E-mail alerts to keep track of the latest rates. There are other newsletters to alert you to the best credit card deals, changes at the Federal Reserve Bank, and present CD rates if you are parking your funds before making that down payment.

<http://www.bankrate.com>

E-LOAN

The E-LOAN Web site provides its users with an easy-to-use search feature. Click the Search For Rates link on the left side of the page to open a form with nine questions. The first question asks you to select a mortgage type; it lists 11 types, including a one-month ARM and a 30-year fixed rate. The rest of the questions are also basic loan questions, and you aren't asked for any personal information. When you finish filling out the form, click the Search For Rates button. This will open a page with the loans E-LOAN found for you. The handy chart format lets you compare the loans in detail. There is normally a 30-day lock on the rates you are quoted here so you have time to complete the deal.

<http://www.e-loan.com>

10own.com

Advertising itself as having "the best loans online," this site provides rate information for lenders in every state. To find a loan, click the Shop Mortgage Rates link on 10own.com's home page. From there, select a state. This will bring up a list of rates with information about the lenders, the closing costs, monthly payments, and more. A rate update newsletter is also available via E-mail.

<http://www.10own.com>

Auto Loans.

Once you have the house of your dreams, you are going to want the car of your dreams. And with the prices of cars these days, you are going to have to get an auto loan. So, before you walk into a showroom, make sure you use the following sites to compare loan rates.

bankrate.com

The Auto Loans area of bankrate.com is just as stellar as the Mortgages section. Just click the Auto Loans link on the left side of the page and follow the same steps as above. Note that below the Find Your Best Rate field is a chart with the day's rate on four types of loans.

<http://www.bankrate.com>

(Re)Finance Center

The Auto section of the (Re)Finance Center is a great resource for comparing auto loans. Click the Find Auto Financing Link on the

Auto Loans page for a list of lenders. A cool feature of this site is that the (Re)Finance Center's experts rank the loans.

<http://www.refinance.com>

<http://www.refinance.com>

Yahoo! Auto Loan Rate

Look to this Web site for national averages and to get specific rates in many large metropolitan areas or in any state. You will find charts showing the lowest, highest, and average auto loan rates in your area for both new and used car loans. A loan for a used car will cost about 1% more than a loan for a new car.

<http://biz.yahoo.com/biz/10aut>

Student Loans. If you are thinking about going back to school, you may want to check into getting a loan. There are lots of different loans from which to choose, such as private, federal, and parent student loans.

eStudentloan.com

The eStudentloan.com Web site is one of the best sites we have found for finding student loans. Click the Loan Finder hyperlink on the home page to open the Loanfinder. Before you begin, you must sign up with loan finder. All you need to enter is your name, E-mail address, and a password. Next, you choose whether to run the For Students Loanfinder or the For Parents Loanfinder. If you clicked the For Students, for example, you would then need to tell Loanfinder which type of loan you are looking for.

Next, you will need to fill in information such as what school you are going to attend, the loan you are looking for, and the term of the loan. After you finish answering all the Loanfinder's questions, you will receive a chart with your best loan options.

<http://www.eStudentloan.com/loanfinder.html>

U.S. Department of Education

This federal site carries information on Direct and Federal Family Education Loans (FFEL) and will soon add the ability to take online applications. Student loans are complex because the interest rate on the same loan varies depending on whether the student is still in school.

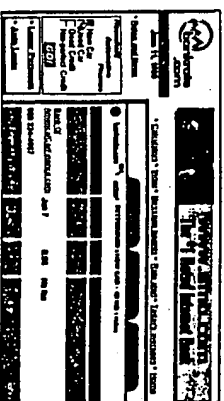
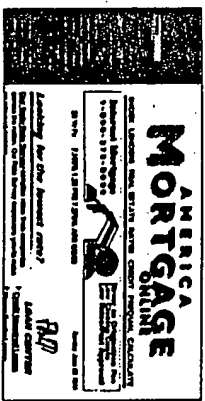
Click the Announcements button at the top of the page to open the Interest Rates for FFEL and Direct Loan Programs page. Scroll down to the bottom of the page and click the Attachment link to open a table with the latest federally established interest rates.

<http://www.ed.gov/offices/OPE/DIRedirect.html>

Credit Cards. Another type of loan that you probably use every week, if not every day, is your credit card. If you run up a big balance, then finding the lowest possible rate is more important than getting a card with no annual fees. On the other hand, if you seldom pay interest, you don't want to pay any annual fee. This is why you need to do your research before you sign up for a credit card.

CardWeb

Card rate surveys on this site are sorted to show either the absolute lowest initial rates or rates without special short-term promotions. For each card you see APR, annual fee (if any), region where the card is available, the state where bank is located, bank name, and phone number (usually toll-free). A few of the banks include holdings to Web sites.



This is a complete site with separate survey results for every category of card, including standard and gold cards, as well as gifts for platinum, secured, reward, affinity, credit union, business, and student-oriented cards. These surveys are further divided into easy-to-understand categories. For example, reward cards (credit cards that offer some sort of benefit related to how much you use the card) are further divided into those offering free gasoline, cash back, airline credits, automobile purchase rebates, and miscellaneous reward cards.

<http://www.researchcard.com>

ABC Software

Cards also are sorted into various categories on this site. An interesting and useful list sorts cards based on their ease of use. This is further divided into those with the longest grace periods, the best customer support hours, or ones offering online or automated telephone information.

For those users who usually pay off their charge cards each month, this may be even more important than the interest rates cards charge and is a great place to start. If the rates charged by two cards is the same, obviously the one with the longer grace period is more desirable regardless of whether you normally carry a balance. There were far fewer cards listed on this site than we saw on some others, but it is still a great place to start.

<http://www.abcsoftware.com>

CreditChoice

This Web site claims to offer "the most comprehensive Credit Card resource online." While the information available here is extensive, we found a few dead links on the day we tested the site and have doubts about this being the most comprehensive site. Nevertheless, there are a number of cards compared here and again they are divided into several categories. The site is fast, doesn't use frames, and isn't as heavily burdened with advertisements as some others so we rate it easy to use and informative.

<http://www.creditchoice.com>

by John McCormick

It is fast and easy to find sample auto loan rates for your area of the country using bankrate.com.

Figuring The Future

Online Financial Calculators Help You Plan The Bottom Line

If you're like many people, math is your least-favorite subject, and you have a difficult time thinking about money. You may tremble at the thought of the complex calculations involved in comparing interest rates or producing mortgage amortization tables. However, you still have dreams you'd like to make real someday, dreams that require money and financial planning. Dreaming is great entertainment, but it will take more than dreams to bring your finances down to earth.

Fortunately for you, math is one of the things computers do best. In addition, for almost any kind of financial planning, someone else has done the hard work of deciding which calculations to use and programming those calculations into a format anyone can access and understand. And best of all, there are dozens of Web sites with financial calculators designed to meet almost any conceivable purpose waiting for your point and click.

Some of the sites we explore here offer a comprehensive set of calculators suitable for many different purposes. Others focus on just one type of calculator, such as those related to real estate. A site also may include articles and other support information that can be useful in deciding which calculator to use and how you can gather the initial information you will need to take advantage of the calculator's abilities.

■ **By The Numbers.** Most calculators work in a similar way. It's likely you will first have to enter some information, such as your annual income or how much money you have saved. Once you have entered your information into the appropriate part of the calculator, the computer does the rest.

Most calculators are programmed using standard accounting methods, and the answers they give should be reliable. If you are using the calculators offered by a bank or securities firm, you can assume the calculators will



When you use financial calculators as your guide, you can play the "what if" game a hundred different ways. What you get in return are hundreds of comparisons that used to be laboriously figured by hand, letting you see just what you need to do to make your dreams come true.

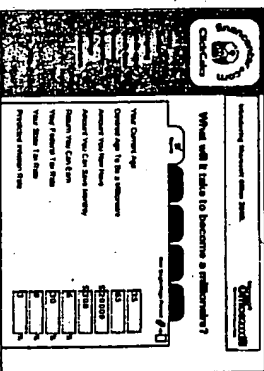
■ **Multipurpose Sites.** One of the largest collections of financial calculators is available at [Financecenter](http://www.financecenter.com) (<http://www.financecenter.com>), which is a company that designs calculators and leases them to sites such as The Motley Fool and USA Today. Here, you'll find more than 100 different calculators on subjects, such as homes, autos, insurance budgeting and investing.

Financecenter pages are all set up in a similar way. For example, the Savings calculator page first lets you choose from a number of ClickCals, such as "How Much Will My Savings Be Worth?" or "What Will It Take To Become A Millionaire?". Once you've chosen the calculator that interests you, the site takes you to a page organized into sections by tabs. First, fill out the inputs tab with information such as the amount you already have saved, the amount you plan to save each month, and the interest you will earn. Then, click the Results, Graphs, or Explanation tabs to see how your savings will mount up.

If you're looking for a site that can help you with the basics of budgeting as well as the details of investing and retirement, take a look at BVC Publishing's Understanding And Controlling Your Finances (<http://www.bvcpublish.com/finance/calculators.htm>). At this site, you'll find calculators to help you figure

Of course, the answers you get will only be as reliable as the information you give. If you tell the calculator you plan to save \$2,000 every month, when you actually save about \$20, you shouldn't be disappointed when you don't become a millionaire in the time allotted. You also should be aware that external factors, such as interest rates and inflation may vary over time, so you'll need to give some thought to the assumptions you tell the calculator to use.

At [Financecenter](http://www.financecenter.com), once you enter your financial information, you can click the tabs to get an in-depth analysis.



your monthly cash flow, find hidden expenses that people commonly forget to budget for, and calculate your net worth. The calculators are tied to a series of articles that guide you through a step-by-step process of figuring out your current finances and helping you plan for the future.

The calculators themselves are straightforward, as you can see in the Monthly Cash Flow Calculator. After you gather the information discussed in the accompanying article, all you have to do is fill in the blanks. Then, the calculator gives you a sum showing you by how much you are ahead or behind.

For the more business-oriented consumer, there are sites that put the emphasis on business finance and investment. You can find one such set of tools at Bloomberg.com (<http://www.bloomberg.com>), the online home of the famous magazine and financial service center.

A variety of calculators are available on the Tools page, including the standard mortgage and 401(k) calculators. However, you'll also find unusual offerings such as the Total Return Calculator, which can determine the total return for a selected security over a period of time. To see your total return, enter the security's stock exchange ticker symbol, the amount you own in shares or dollars, the purchase and selling prices over time, and any commissions or fees involved. The calculator then gives you your capital gain or loss, total gain or loss, rate of return, and annual equivalent. It also will provide a chart of your cash value over time and a table showing the security's historical high and low. You can then compare different securities or see the effects of various selling prices by running the calculator again.

You may find it hard to believe, but there are people out there who write calculators for their own enjoyment. Hugh Chou, a programmer and engineer, is one of those people. His site, Hugh's Mortgage And Financial Calculators (<http://www.interest.com/hugh/calc/>), contains a variety of calculators for figuring loan payments and interest costs. For example, the Prepayment vs. Investment calculator will determine whether you'll gain more by prepaying a loan rather than investing. Or, you can use the Roth IRA Conversion Calculator to determine whether you would gain

money by converting your traditional IRA to a Roth.

In addition, check out Hugh's Common Sense Financial Guide for down-to-earth tips on financial health. Or, if you feel up to it, you can learn how to calculate mortgage amortization tables by hand.

■ **Specialty Sites.** Some financial sites are of such great interest that there are entire suites of calculators devoted to them. Here, we've gathered a few examples.

Buying a home. This is one of the biggest purchasing decisions most of us will ever make. Whether this is your first home purchase or your tenth, you'll find an excellent set of calculators at Homepath (<http://www.homepath.com/calcs.html>), a Web site that belongs to the government-sponsored Fannie Mae organization. You can approach home-buying from many different angles using the calculators on this site, such as "How Much Is Your Monthly Payment?" or "How Much House Can You Afford?". In addition, the calculators are linked to worksheets that help you enter the correct

information. The site also contains a glossary and many articles about home selection and purchasing.

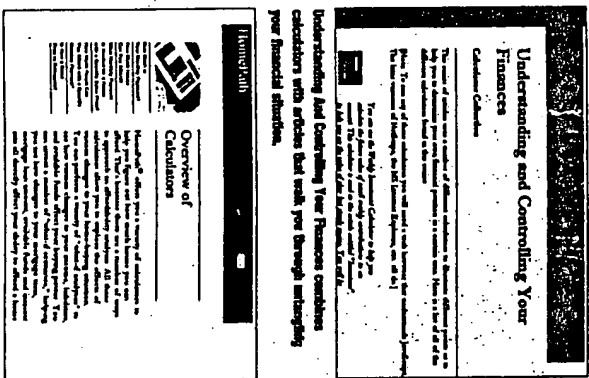
Homepath cautions that every lender uses its own set of calculations to determine whether and when it will give a mortgage. However, the Homepath calculators can help you determine the general range of mortgage amounts for which you may qualify.

College Tuition. Findaid (<http://www.findaid.org>) is an award-winning site developed as a comprehensive guide to student financial aid. It comes as no surprise that college tuition is a major expense and planning ahead can make a big difference in how easily students and their families handle the challenge. Click Calculators on the home page to be whisked away to tools that will help you project college costs and plan your savings. In the thorough Needs Analysis section, you can learn about methods for estimating financial aid according to government guidelines and come up with a preliminary estimate of how much aid you may qualify for.

Retirement Planning. Retirement may seem so far away that you don't give it much thought. But the earlier you start planning and saving for those golden years, the more your money will grow. The 21st Century Retirement Calculator (<http://www.usnews.com/usnews/nyu/money/retire21.htm>), from U.S. News Online, can help you get a start on your retirement plans. This calculator takes you through a seven-step process, which you use to enter information about your age, your income, your resources, and so on. One nice touch is that at each entry that requires an assumption, there is a link called Dig Deeper, which lets you read about why certain assumptions are made or how changing them will affect your results. The calculators at this site are also linked to articles and other information explaining the forces that influence your retirement planning.

While financial calculators won't solve all your money problems, they can help point you toward a happier financial future. The time you spend with these sites could pay off in a big way. □

by Jennifer Powell



Finding

Insurance Online

From Basic Information
To Personalized Quotes,
The Web Has It All

The Internet may not be the best place to actually purchase insurance, but it's a great place to shop around. From reading advice to finding agents, researching companies to shopping for bargains, a variety of World Wide Web sites offer what one expert calls "insurance 101."

"It makes you a smarter consumer, so you know about the ins and outs of insurance," says Jayna Neagle, manager of new media at the Insurance Information Institute. The Internet is a great place to start your search, she says, especially if you've never bought insurance.

What you'll find when you use the Internet to start shopping varies greatly. Some sites are best for research—learning what terms mean, deciding which kinds of insurance you should have, interpreting policies, learning about companies, and reading the latest insurance news. You can visit insurance carriers directly for general information, to find an agent in your area, and sometimes to get quotes and begin the purchase process. Other sites let you fill out an online form to have an agent or broker contact you, while still others return instant online quotes and may let you begin or even complete the purchase online.

Getting an instant, free quote—without the pressure of a salesperson—is easily the most tempting aspect of shopping for insurance online. However, Neagle warns that quotes are not always exact. "You may get this quote from Acme Insurance, call them back, and what you pay may be different because you



because questions and criteria for life insurance tend to be simpler.

Any good site will explain your options along the way, but chances are you won't actually give your credit card number and purchase the policy over the Internet. At some point, you'll talk with an actual person. Of course, that isn't entirely a bad thing since most people find insurance at least a little confusing.

As with any Internet research, be wary of giving out personal information. Make sure you're serious about a site's offerings before you give out your telephone number, and be especially careful about revealing credit card information and social security numbers.

That much said, you can do most of your research without revealing your identity at all, and one of the best places to start is with the organization Neagle represents.

■ **Getting Started.** At the site for the Insurance Information Institute (<http://www.iii.org/individuals>), consumers can access information about auto and home insurance, fire and accidents, saving money, and more. The I.I.I., founded in 1960, provides information about insurance to the media, government, universities, and public. It answers 50,000 questions a year through the toll-free National Insurance Consumer Helpline. Its Web site offers detailed and clearly written information, and it incorporates relevant links into the text.

Another good site is the Insurance Corner (<http://www.insurancecorner.com>). In the Consumer Information section you'll find general information in an A-to-Z format. Want to know how much insurance you should have? How to file a claim? How to prevent burglary? What to do with windfall money? How to help the grandkids through college? Articles cover all this and more, with tips, checklists, and information on common questions and mistakes. Articles come from various sources, but the site is affiliated with Applied Systems, a

company that specializes in insurance automation.

Strictly for making sense of the jargon, visit the Complete Glossary of Insurance Coverage. Explanations (<http://www.icgroup.com/explanations>). This site from Lewis-Chesler Associates, an insurance brokerage firm in New Jersey, contains definitions in a simple A-to-Z format.

Other sites offer more specialized information, as does the site for the Health Insurance Association of America (<http://www.hiaa.org>). This site contains news and a number of insurance guides that cover disability, health, long-term care, and medical savings accounts.

Finally, you can access or request reports from two companies that specialize in insurance ratings: A.M. Best Co. (<http://www.ambest.com>) and Standard & Poor's (<http://www.standardandpoors.com>). Note that you'll also find ratings information from these companies at other sites. In fact, most online insurance quotes include ratings.

■ **The Big Ones.** More extensive sites let you learn about insurance and do a whole lot more. InsWeb (<http://www.insweb.com>), which bills itself as a place "where you and your insurance really click," is a good starting point because it contains the three basic insurance functions offered on the large Internet sites: general information, quotes, and shopping. This straightforward site describes itself as an "online insurance market" with a goal of connecting consumers and insurance companies.

InsWeb quite literally offers Insurance 101. In this educational section, you'll find articles, do-it-yourself tools, an "ask the expert" section, a glossary, and special reports. Quizzes, needs analyzers, estimators, calculators, and other research tools are available. It splits articles into categories and covers everything from common questions to fire safety.

Quotes are available for auto, term life, individual health, homeowners, renters, and condominium insurance; currently more than 30 insurance companies are affiliated with the site. Some quotes are returned instantly online, and you can submit an online request for

INSUREWEB

2 Quoted!

You have 7 instant quotes and 1 pending quote.

Click on the company type for detailed information

Company	Auto	Term	Life	Health	Disability	Long-Term Care	Medical Savings
A.M. Best	1	1	1	1	1	1	1
Standard & Poor's	1	1	1	1	1	1	1
InsWeb	1	1	1	1	1	1	1

InsWeb offers instant insurance quotes. You can see which company has the best rate and then fill out an online application.

INSURE-COM We believe you should

Auto Insurance for LESS

Insure.com is a great place to do basic research on insurance and the companies that offer it.

insurance. Other times the site puts you in contact with an agent.

How many quotes you get depends on the coverage you seek, where you live, and your personal profile. The main frustration you may have—with this site and others—is if no coverage is available, you can't tell readily why. It may be that you've made a typing error, that there are no policies available with the terms you have entered, or just that the site doesn't offer insurance that meets your needs.

You can create and save a customer profile. The site saves your personal information on a secure server, and InsWeb promises not to give it out without your permission. You can retrieve and change the information later by entering your username and password. For instance, if you're not happy with the response you get, you may later want to change some of the specifications of the desired coverage.

A similar site is the Quotenet InsuranceMarket (<http://www.insuremarket.com>), which calls

itself "a 1 in insurance quote comparisons." This site from Intuit Insurance Services offers general information and tools, quotes for auto and life insurance, and in some cases the ability to purchase insurance. According to the home page, 16 insurance companies offer products through InsureMarket. The site may be harder, at first, to figure out than InsWeb, but there's a toll-free number you can call with questions.

From the home page, jump to information on medical, home, disability, long-term care, supplemental health, critical illness, annuities, and small business insurance. The tools and information include an article on insurance basics; an Insurance Planner and a Life Events Adviser to help you decide what kind of insurance you need; a Family Needs Planner to help you figure out how much life insurance you need; an Auto Risk Evaluator to determine how good your auto coverage is; and an Auto Policy Educator to help you interpret your coverage.

The planners are especially helpful if you don't really know where to start. For instance, the Insurance Planner asks you various questions, then returns a prioritized list of the kinds of insurance you should have and explains what each kind is for.

You can set up a Personal Insurance Portfolio, then save and return to quotes, policies and worksheets by entering your username and password. InsureMarket promises to keep the information confidential unless you authorize otherwise. Some of the quotes come with the ability to begin the purchase through the site, while others put you in contact with an agent.

Another big bargain-shopping site is Quotenet (<http://www.quotenet.com>). This company, founded in 1984, professes "instant insurance quotes from over 300 companies." Its database includes coverage for auto, medical, dental, Medicare supplement, life, and annuity, along with ratings information on different companies. The busy Web site also promises that it employs no commissioned salespersons and that no one will call you.

From the home page, click the kind of insurance you want, then answer some related questions. (It may link you to another quotation site, such as the InsureMarket.)

If Quotemath has information on insurance that meets your needs, you'll get a table of options, including policy details and price, and you can request an application online.

A great news-oriented site is *Insurance*, the Consumer Insurance Guide (<http://www.insurance.com>). Its stated mission is "to help you navigate the world of insurance, with in-depth stories, and expert guidance" about several kinds of insurance, and it deftly fulfills its mission. The Consumer Insurance Guide doesn't sell insurance and no single insurance company supports it. Instead, you'll find advertising and links for lots of companies.

An FAQ answers basic questions, and recent feature articles have focused on coverage for 25-somethings, home-based businesses, luxury items, older citizens, and more. You can also skip to detailed information on annuities, auto, business, health, homeowners, life, and personal insurance. There's a gateway to state information. Plus, you'll find a glossary, various checklists, claims telephone numbers, and information on lawsuits, auto premiums, local agents, and more.

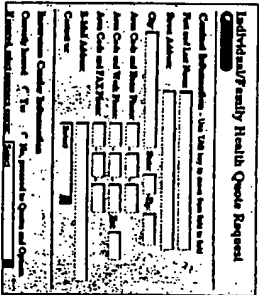
In a free quoting service area, you pick your state and the kind of insurance you want (auto, health, home, renters, life) from drop-down lists. Then the site returns a list of sponsors in your area who provide you free quotes.

Before you make a decision about which company to go with, don't forget to check on *Insurance.com* for the Standard and Poor's Financial Strength Ratings for more than 4,000 companies. Whether you want to insure a car, pet, wedding, or anything else, this consumer-friendly, well-designed news site is a gem.

■ Online Referrals. Many Web sites focus less on general information and more on linking you to salespeople. Usually, you fill out an online form and agents or brokers contact you, either by telephone, mail, or E-mail. By giving out basic information online, you might save some time on hold with different agents, and you'll avoid having to repeat the same information on the telephone.

The Insurance Shopping Network (<http://www.800insure.com>) is one of these free shopping services that doesn't actually sell insurance. You fill out a simple online form and agents contact you, usually within 48 hours, to give you a quote for automobile, homeowners, life, or health insurance.

A similar site is the NetQuote Insurance Shopper (<http://www.netquote.com>). This site puts you in contact with auto, home, business, life, or health insurance agents. Again, you fill out an online form and agents call, fax, or mail you a quote. According to the site, about 3,000 agents from 100 companies use the service, and you can expect between three and six quotes. The information you submit is much more detailed than with the Insurance Shopping Network, which saves you time on the telephone. It also means you're giving out more personal information.



At some sites, such as NetQuote, you fill out information about yourself and the insurance you want. Then you get back and wait for insurance agents to contact you.

■ Life Insurance. We mentioned that life insurance tends to be easier to find online, and InstantQuote.com (<http://www.instantquote.com>), affiliated with CFS Insurance Services, is one example of the many life insurance sites. When you fill out the basic form, it sorts through quotes from many companies and offers information on the best deal for you. It displays both the standard premium and the preferred premium (for individuals in exceptionally good health) for various terms. You click the desired one to see which company has the best deal. InstantQuote.com will send you the application and information about the company, and this extremely well-designed site clearly lays out the process of actually getting the insurance.

A much fancier site is for Pivotal (<http://www.gobpivotal.com>). You can read up on life insurance, use the life insurance calculator, and get an online quote. If you have the RealPlayer G2 browser plug-in, Pivotal provides music (interspersed with advertising)

while you're at the site. If you have the Flash 3 player, you can watch an introductory movie.

On the other hand, there's E-Term (<http://www.eterm.com>), which offers insurance from Zurich Kemper Life and bills itself as "The Web's fastest term life insurance quote." We believe it. On the home page, you enter your date of birth, gender, state, tobacco use, and desired coverage amount. E-Term returns an instant quote with a variety of term lengths, and you can begin the application process online.

■ Straight To The Sources. Once you get your search narrowed, the Internet is a great way to research insurance carriers themselves. These sites are usually easy to find. For instance, Allstate's is at <http://www.allstate.com>, and State Farm's is at <http://www.statefarm.com>. You can use any search engine to find the address for the company you're interested in, or find links through many of the sites we've already discussed.

In general, these sites tend to serve three main purposes: They offer general insurance information (from an expert albeit less than neutral source); they attract new customers by making it easy to find an agent in your area and learn about the company and policies; and they serve as a resource for current customers, with information about filing claims and the like.

A few of them do offer online quotes. Progressive (<http://www.progressive.com>) in particular stands out, because it offers instant online rates for up to four auto insurers. That way, you can see if you might be better off going with another company.

We've given an overview of what's out there today, but judging from what we saw, there's sure to be even more tomorrow. We found many sites in various stages of construction. For instance, InsureMarket promises soon to offer quotes for home insurance. And at the site for Goto (<http://www.gotoc.com>), there were two options for getting a quote for automobile insurance—you could fill out the old form, or "test drive" the new one. The Internet is already a great place to shop around for insurance, and it looks like it will only get better. (E)

by Sarah D. Seldi

Check Your Credit History

Go Online To Find Out What Creditors Are Saying

For many people, "credit report" means little until the time comes to apply for a bank loan or rent a stylish apartment. Then the words develop a rather ominous tone as you frantically search your brain for outstanding bills and missed credit card payments.



Individuals have the right to view their own credit reports, but the process of getting them may seem like a mystery. As with virtually everything these days, you can access your credit history online, but this service isn't free.

■ Credit Basics. "Credit report" is essentially a superset for the compilation of seven years of credit history. Typically, reports also include personal information, such as your name, your Social Security number, place of employment, and address.

Reports are compiled by consumer reporting agencies (CRAs) or credit bureaus, which receive all the data regarding your accounts with different places. This data includes bank loans, credit cards, medical facilities, landlords, utility companies ... the list goes on and on. If you ever bounce a check or miss a minimum monthly payment on your Visa or MasterCard, for example, the firm that owns the credit might generate a report to a credit bureau.

The snag here is that all of the different places that extend you credit do not necessarily report to the same CRA, which in turn may only report to one or two of the three national bureaus. Unfortunately, the bureaus are not in the habit of sharing information. And many lenders may use just one of the bureaus or a combination to review your credit history.

You'll want to see exactly what they're seeing. To do so, and to get the most complete and accurate representation of your credit history, you must receive reports from each of the national bureaus.

■ Credit Reporters. Three organizations dominate the national credit bureau business: Experian (<http://www.experian.com>), Trans Union (<http://www.transunion.com>), and Equifax (<http://www.equifax.com>). Each must operate within the guidelines specified by the Federal Trade Commission's (FTC) Fair Credit Reporting Act (FCRA). This act, which is available at <http://www.ftc.gov/06/statutes/ftcregump.htm>, was designed to encourage accuracy and fairness in credit reporting, as well as to protect the information contained therein.

KCredit's three-in-one option is a bit more pricey at \$29.95, but you get what you pay for. This report showcases the results from all three of the big credit-reporting agencies and compiles the data in an easy-to-read three-column format. This is a much better plan than the \$8 gig, but the information is not available online; you can only receive it through the mail.

■ Credit Hunters. Although each bureau has an online presence, the easiest and most complete source of your credit information is likely to be through a middleman service that locates your credit history and reports back for a fee. The cost depends on the amount of service and information you're interested in receiving.

ICreditReport.com (<http://www.icreditreport.com>) offers one of three different options. The first, Online in 30 seconds, is a quick check that costs only \$8. You can receive the results either through E-mail or through postal mail after you fill out a brief questionnaire. The drawback here is that you will receive the data from only one of the credit bureaus, Experian.

KCredit's three-in-one option is a bit more pricey at \$29.95, but you get what you pay for. This report showcases the results from all three of the big credit-reporting agencies and compiles the data in an easy-to-read three-column format. This is a much better plan than the \$8 gig, but the information is not available online; you can only receive it through the mail.

Finally, for \$49.95 you can receive the Cadillac of credit reports: Monitor Your Credit. It's the same as the three-in-one plan, but it offers quarterly updates. You have to do a little digging to find this option because when we looked it was not available through the Get Your Credit Report link. Click one of the other options we discussed before, and when you get to the registration page, click the Monitor Your Credit link near the top.

The registration page is the same regardless of the option you choose, except for the third step, which outlines the option you chose and delivery method. Step 1 of the form requests typical information, including your E-mail address, name, present and previous mailing address, and gender.

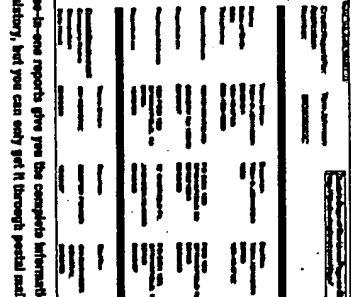
Step 2 asks for information iCredit needs to verify your account, including your date of birth, present employer, Social Security number, and your home phone number. If you decide to use the Online in 30 Seconds route, you also must provide the first six digits of at least one account in your name, such as a mortgage account number, car loan, or something similar. You must provide something other than the credit card you're using to pay for this service, which brings you to Step 3, the payment whammy. Ironically, iCredit only accepts credit cards, and then only cards issued to the person named on the form.

iCredit also offers a quick credit analysis for free as a way to lure you in to one of the more complete credit reports. Click the Analyze Your Credit link on the registration page to take a look. You choose options from drop-down menus in a questionnaire and iCredit will swiftly ascertain whether or not you're a high credit risk. This isn't really scientific though, and it shouldn't dissuade you from talking to a bank in person.

iCredit is likely to get more attention than other credit hunters because it teamed up with the Internet juggernaut, Yahoo!. A search for credit reports on the Yahoo! search engine pulls up a Yahoo! offer for all of iCredit's reporting options. Yahoo! does a better job of explaining what things mean and what you're actually agreeing to than the iCredit site itself, even though iCredit has

been offering online access to personal credit histories longer than any other Internet credit service.

Credit111. Another middleman option is Credit111 (<http://www.credit111.com>), which offers a \$29.95 three-in-one type deal or a one-year monitoring plan for \$49.95. The pricier package comes with extra goodies, such as forms to help you access your Social Security records, medical records, and driving records. As an added bonus, you can fill out the paperwork to get a copy of your own personal FBI file. Finally, Credit111 provides forms to remove your name from junk mail and telemarketing lists. That alone may be



Recourse For Error. If you discover an inaccuracy in your credit history, don't bother to contact the middleman who delivered the report to you. Typically, you must notify the CRA or bureau yourself. Plan ahead and have all the relevant data and explanatory evidence handy when you call. When you report such a problem, the bureau must investigate your charge in a timely manner. The investigation usually consists of the bureau contacting the source of the allegedly errant data with the evidence you've submitted. The source reviews the evidence and reports back to the CRA. You'll then receive a written report of the investigation. If it doesn't end satisfactorily, you may add a brief statement to the record.

Despite the gloom and doom atmosphere that surrounds credit reporting, it's really a smart thing to check in to now and then for your own edification and protection. Just order your credit report through a reputable firm to ensure your privacy. Reputable firms, including the three bureaus and most middlemen, support the Secure Sockets Layer encryption technology to guarantee privacy.

To double-check, look at the bottom of the browser window when you have the Web site up. Netscape Navigator users will see a small key on secure pages while Microsoft Internet Explorer users see a lock. If you're using Navigator 3.0 or newer or Internet Explorer 3.0 or newer, your credit report should be protected.

If you're still concerned about security, you may choose to obtain your report by writing to the different agencies or services. For more information about how to protect yourself, visit the Privacy Rights Clearinghouse at <http://www.privacyrights.org>. In the meantime, don't sweat your credit until the report is in front of you.

by Anne Siegel Philips

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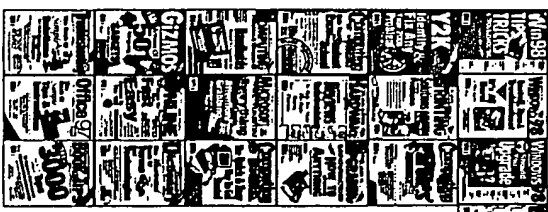
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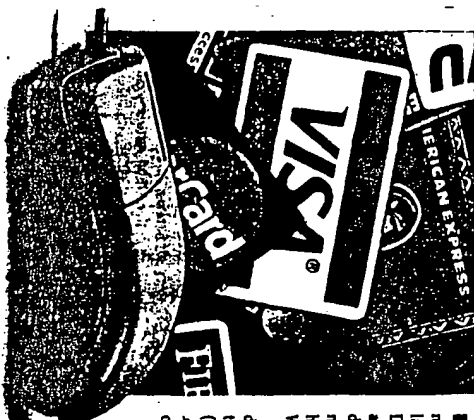
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Perusing Plastic

Use The Web To Learn
More About Credit Cards



■ **The Big Four.** Four names dominate the credit card landscape: American Express, Discover, MasterCard, and Visa are the names you see on the doors of restaurants and retailers nationwide. These cards also have a strong presence on the World Wide Web.

American Express. With a deceptively simple home page, the American Express site (<http://www.americanexpress.com>) seems to sprawl on forever, offering even wider fields of content. Apart from a thin banner across the top that offers links to Customer Service, Site Directory, About The Company, and Career Opportunities, there is a small pull-down menu in the lower-left corner for selecting an alternate country site.

Or better or worse, it's nearly impossible to get by these days without at least one credit card. Even for those lucky enough to have intriguing checking accounts and a fat trust fund, without a financial history backed with credit card activity, prospective buyers will find it difficult to get mortgage loans, auto financing, or any other substantial transaction where credit investigations are mandatory.

The good news is that on top of building a credit history, plastic can be a tremendous timesaver. Telephone- and Web-based transactions, which depend on credit or debit accounts, are much faster than sending checks by postal mail, not to mention how convenient plastic makes interstate and international travel. Additionally, many credit cards offer member benefits, which include everything from percentage rebates to frequent flier miles.

Finding credit cards is easy. Finding the best card for your lifestyle is another matter. Fortunately, the Web offers many resources to help your search, both from major credit card vendors and consumer-interest groups.

Two columns present viewers with general American Express features and a rundown of Online Advantages. Selecting a specific American Express Card from the ready pull-down menu brings up a check sheet leading to a detailed explanation of various card benefits. One benefit not immediately listed is that cardmembers have the option to pay their monthly American Express bill online.

If the benefits have convinced you, your next step is Apply For A Card, which leads off with a 10-item questionnaire for those still unsure which card to choose. Once you've decided, the site moves on to a detailed description of your choice plastic, followed by a standard credit application.

Membership Rewards is American Express' card-usage benefits program. This link describes all the various reward options ranging from \$100 account credits to Disneyland Passports. From this main screen, members can check the number of points they have accumulated.

Of all the American Express site pages, we found Student Services to be disappointing. Links such as When You Graduate offer this sage advice: choose an American Express Personal Card. The credit tools, information, and budgeting links are all fairly generic. Other services lead students to a prospects on American Express investments.

The Financial Planning and Travel areas of the Personal section do an excellent job of converting American Express' two hallmark services. Of special note are the last-minute travel bargains pages, which when we looked included a two-for-one economy ticket offer to London.

Discover. This card company has one of the simplest sites (<http://www.discovercard.com>) among the big four, but that can be a good thing if you just want to get down to business. The home page features a standard navigation bar down the left edge of the screen. The bulk of the page offers the same links as those on the navigation bar including About Us, Apply For A Card, Account Center, and ShopCenter. However, you can find new links at the bottom of the page, which will lead you to the StudentCenter, Discover Bankage-related information, and Discover's privacy policy.

Registration at the Account Center is password protected, but once you're inside you can view your statement summary, pay your

Discover bill online and access Discover's savings and CD investment accounts. Discover also provides the handy service of allowing subscribers to download their transactions into either Microsoft Money or Intuit's Quicken.

Discover's Internet ShopCenter is one of the better vendor areas we saw. High-profile groups such as Barnes & Noble, Quicken, Reed.com, and The Sharper Image offer discounts and Cashback Bonus awards. Something among the diverse represented sites should appeal to just about everyone.

Two card applications are offered through the Apply for A Card link, for the Platinum and the College Student cards, and there are no real surprises. Apart from the usual questions, Discover asks for your number of dependents, monthly mortgage amount, job information, and all the usual queries for a loan.

The Card Features section goes into detail about Discover's Platinum card, apparently the company's favorite product. This page also describes the terms and the Cashback Bonus program, along with other benefits, such as auto rental coverage and death insurance for airline ticket purchases. Clicking the More Cards link yields almost a carbon copy of the Platinum page, without discussion of some of the benefits. One of the options described allows users to donate their Cashback Bonus to the Make-A-Wish Foundation, America's Promise, or the Smithsonian Institution.

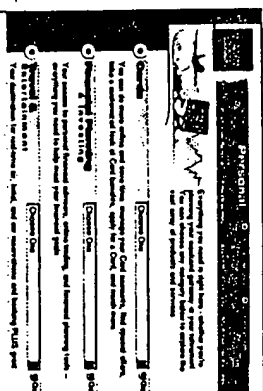
Discover Products offers several services Discover users can add to their credit accounts. One of these is Profile Protect, which, for \$5.99 per month, will monitor the Equifax, Experian, and Trans Union credit reporting bureaus and notify subscribers of any activity on their accounts at those locations. To anyone who has ever been denied a loan due to accidentally tarnished credit, the benefits of such a service will be obvious. For more information about checking your credit report online, see "Check Your Credit History: Go Online To Find Out What Creditors Are Saying" in this issue.

Other links include New Offers, which is essentially a collection of sponsored promotional proposals, and Cash Location, which assists users in locating nearby Discover Card CASH sites.

MasterCard. Succinct and easy to navigate, MasterCard's home page (<http://www.mastercard.com>) has three basic sections.

Discover's Internet ShopCenter is one of the better vendor areas we saw.

High-profile groups such as Barnes & Noble, Quicken, Reel.com, and The Sharper Image offer discounts and Cashback Bonus awards.



Don't leave home without first checking the information at the American Express Web site.

Across the top is a four-item banner giving visitors quick access to a card application, ATM locations, emergency services, and business resources. The left edge provides links to the site's main information areas, and the central text section profiles a handful of special news and promotional items.

Although you can't directly apply for a credit card at MasterCard's site, most of the member banks to which MasterCard refers you do accept online applications. Moreover,

a brief description of each card is given, reducing the time needed to investigate each one in turn.

Hot Deals & Exclusive Offers is the usual bounty of coupons and discounts. MasterCard organizes its hundreds of special deals into topic categories. A peek into Books & Music reveals deals such as \$5 off on your first purchase from CDWorld and a buy-one get-one-free promotion from SurroundSpeakers.com.

Our Cards details MasterCard's line of financial plastic, providing categories for consumer, student, small business, corporate, government, and smart card types. The last listing will be of special interest to those who want to be on the cutting edge: MasterCard not only offers a frequently asked questions list, articles, and technical papers on smart cards but also an online demonstration of how they're used.

Shop Online is simply six links to advertising partners, not quite the "ultimate online shopping experience" MasterCard describes. However, following the link at the page's bottom to an enlightening section on the new Secure Electronic Transaction (SET) protocol makes for good reading.

Cardholder Services is divided into four subsections: Emergency Services, For Students, Credit Tips, and ATM Location. The majority of information here is fairly straightforward but unspectacular. Our run through the student section uncovered this Tip Of The Day: "To maintain a good credit history, make your payments on time and always pay at least the minimum amount required." One initially impressive feature is the link to the Job Hunting Guide, written by and for students. We didn't discover until three more clicks that this information is a book that costs \$9.95.

The For Businesses section provides an even spread of tips and services for merchants, including everything from benefits for business users to how to best display the MasterCard logo. MasterCard also includes a short advice article on Year-2000 preparation. The final areas are Sports Sponsorships, which may be mildly interesting to die-hard sports enthusiasts but not terribly informative, and the standard About The Company information.

Visa. With a well-organized though somewhat repetitive site, Visa (<http://www.visa.com>) provides a host of useful resources.

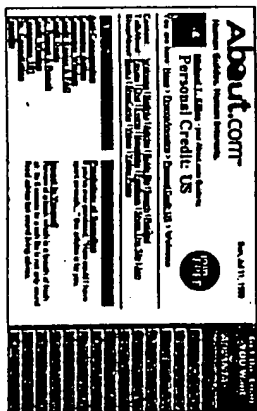
Like MasterCard, Visa refers all would-be card applicants to member banks through its Get A Card shortcut. The home page, which closely resembles MasterCard's, is divided into two frames: the left includes all the site-navigation and shortcut links while the right side spotlights Visa's highlights, such as seasonal promotions, discount offers, and the Ranliti College Site. Near the bottom of the page, you'll find another list of the main shortcuts, as well as links to Visa's internal sites.

First up on the main navigation menu is Products & Services. This is where you can learn about Visa's varied card products, including debit cards and the new Visa Cash. Available in select areas, Visa Cash is a card that is loaded with a set amount of cash. When you buy something with the card, the price is deducted. When the value is used up, you throw it away. Visa also offers a reloadable version of the card, which you can add cash to as you run out. Other Products & Services links include ATM location, lost card reporting, traveler's cheques, and an online marketplace.

Offers & Promotions is a mixed bag. For instance, under Featured Deals & Discounts, we found a buy-one get-one-free offer for DMAX tickets in London. A little more useful is the Visa Rewards Online area, which offers coupon specials for companies such as Reed.com and Flowers USA. Global explorers will appreciate the World's Best Travel Promotions area, which features deals in nearly every corner of the planet. One sample offer for the United States region is \$300 to \$1,000 in shipboard credit savings on Carnival's Alaska cruise. The Ranliti area, which is aimed at college students, seemed a bit underdeveloped at this writing, only offering links to two entertainment-oriented promotions.

Back at the home page, the Consumer Tips section imparts a healthy dose of common sense, but also provides a few useful surprises. Foremost among these is the Choices & Decisions Money Management software, which you can download for free. This application is targeted toward college students and offers features such as a budget-planning worksheet, credit resource information, and

another worksheet for determining the real impact of credit interest on purchases. Corporate offers, particularly those who work for small businesses, will want to pursue the For Businesses section, which offers numerous resources for being a Visa merchant and new Visa-oriented services. Sponsorship & Events is primarily a forum for Visa to showcase where it spends its high-profile ad money. The New Technologies section is a little more useful, showcasing Visa's smart card development and the new ATM locator/street map application for 3Com's Palm VII.



About.com's Personal Credit US also offers tons of advice about how to get your credit the best way.

■ Navigating The Plastic Jungle.

With so many credit offers waiting online, an enterprising shopper would be foolish to grasp the first offer found. Fortunately, many sites and organizations exist to help weed through the dense undergrowth of interest rates, annual fees, and benefit packages. Some of these are run by people unimpeachable enough to have been stung by credit debt in the past and who don't want to see others stumble on the same road.

U.S. Citizens for Fair Credit Card Terms (CFCCCT). CFCCCT offers three free lists from its home page (<http://www.cfccct.org>). The first is the Top 25 Classic Cards in America, ranked by interest rate and annual fee, with a limit of \$5,000. The second list is for the Top 25 Gold/Platinum Cards. A third list, which is available through a link at the bottom of each report listed above, gives CFCCCT's list of cards with attractive perks and rewards.

Curtis Arnold, marketing director for CFCCCT, says users should use credit card "portal sites." "These offer an amazing free service that is unique to the Internet. The sites are independent. They are not a lender or a

broker and as such have no direct affiliation with a given bank."

He says consumers can fill out an online application that they can also tailor to their individual financial interests (for example, lower interest rates or better rewards and rebates). Arnold says that after submitting the application, applicants receive credit card offers from banks within 24 to 48 hours.

LendingTree. One such portal site is LendingTree (<http://www.lendingtree.com>), which in addition to credit cards, also offers home, auto, and personal loans. During your visit be sure to browse through

LendingTree's Loan Resource Center, a very enlightening collection of essays spanning subjects such as refinancing, mortgages, debt consolidation, and, of course, credit cards. While LendingTree's application process does entail giving out a fair amount of personal information, the company is up front about its practices, offering both a disclosure and licensing statement and privacy policy. The site also is endorsed by TRUSTe, a nonbiased and well-respected online privacy-rights organization.

About.com's Personal Credit. US. Run by Guide Michael T. Kilian, this About.com site (<http://www.personalcredit.about.com>) has many links and articles dealing with personal credit and credit cards. Some of his topics include anti-consumerism, credit report & repair, and integrity. Kilian's site is crisscrossed with great advice any credit card applicant would be wise to review.

Credit Card Goodies. Run by self-proclaimed gaffer Peter Flur, this site (<http://www.flur.com/cards>) begins with the following sober quotation from CNN/USA Today/Callup Poll: "7% of U.S. adults said they paid the minimum or less on their last credit card bill." Flur's site is a fountain of tips, news, and hearsay about credit cards, made both engaging and entertaining by his rough, irreverent manner. From his Heard On The Grapevine section to the Related Links, Credit Card Goodies is fun information at the best price money can't buy. [E]

by William VanWinkle

Using Prudential



Prudential Insurance Co. offers a comprehensive array of services on its Web site. Prudential has made its site into a resource about financial products, covering several different aspects of financing and insurance. Its numerous features are straightforward, easy-to-use, and efficiently organized so that you can find what you need quickly.

Although the Prudential Web site (<http://www.prudential.com>) is a great place to obtain information about what Prudential offers, it also features informative quizzes and worksheets that you can use to generate insurance quotes or locate a new home. In addition, there's a great deal of general information on insurance and financial planning that is beneficial to everyone, whether you buy your services from Prudential or not.

The start page design is striking and easy to interpret. Move your mouse over the on-screen buttons and view the text that appears, providing additional information about each choice. Seven buttons access the major areas of interest: Prudential Online, Insurance, Investment & Brokerage, Banking,

Real Estate & Relocation, Business To Business, and Corporate Facts & Community. Click one of these buttons to open additional pages that access more information about each specific topic.

On the right side of the start page are another set of beneficial links and tools. They include: Prudential Search, Contact Us/Office Locator, Find A Home, Insurance Quote, Financial Planning, Employment Opportunities, and revolving Spotlight features.

At the top of most connecting Web pages on the Prudential site are three buttons that lead to either a site search utility (where visitors can find items by keywords), a worksheet for getting custom quotes, and an evaluation of your personal situation and preferences. We'll specifically cover these items in a moment. In addition, Prudential also provides a Contact Us button that leads to a page of toll-free telephone numbers, office locations, employment information, and an E-mail contact form.

■ **The Many Faces Of Prudential.** The Prudential Online section of the site

allows Prudential customers to access their personal account information and customer service assistance. If you're already a Prudential customer, you can log on to your account here. There are answers to frequently asked questions (FAQ) about annuities, mutual funds, bank products, retirement planning, financial advisors, relocation, and life insurance. All around, this section is a great online resource for Prudential customers or those interested in becoming customers.

Click Insurance to reach an area with details about life, property, and casualty insurance, as well as health care insurance and benefits packages that might be offered by employers and associations. There's also a choice on this page that's dubbed Rock Solid Advice, with links to another FAQ area. When we logged on, the information here included estate planning, financing a college education, the Temporary Relief Act of 1997, retirement planning, and Roth IRAs. There's even a handy Glossary of Terms that defines various words used in insurance, investing, and real estate. These are terrific resources for anyone who wants to learn more about insurance and financial options.

The Investments & Brokerage area is where consumers can find market commentaries, information about Prudential mutual funds, annuities and securities products, and help with financial planning. The market commentary includes a daily technical outlook from Prudential's chief analyst. Visitors will also find daily fund prices and annuity prospectuses for various products, as well as a Virtual Bank Office.

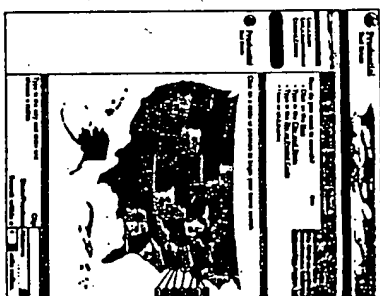
Prudential even has a Real Estate & Relocation section with information about buying or selling a home, along with tips about moving, taking vacations, and retirement living. Prudential also includes information about commercial real estate and Prudential Relocation services for corporations transferring employees.

The Banking link leads to Web pages with a different style and feel, each of which describe Prudential's various banking services. These services include credit services, insured deposits, trust services, and commercial products. Overall, however, the Banking Web pages are not quite as interactive as some of the other site areas; they're almost all devoted to displaying Prudential's banking products.

Prudential's Business To Business area includes advice and products designed to help business owners and management firms build and run their organizations more successfully. The products described include institutional investments, group life and disability insurance, and retirement plans from a 401(k) plan to a profit sharing plan. Take a look at Prudential's executive services if you're interested in creating executive benefit packages that will draw top-notch talent. Reviewing the corporate relocation services is also a good idea to help these newly hired executives move and complete a smooth transition into their new jobs.

The Prudential Web site even includes a section that's called Corporate Facts & Community, which provides information about Prudential's activities as a company. The Community Center link leads to more detailed information about Prudential's philanthropic activities. Investor information includes annual reports and data about the various Prudential ventures. And the employment area lists available jobs by category and location.

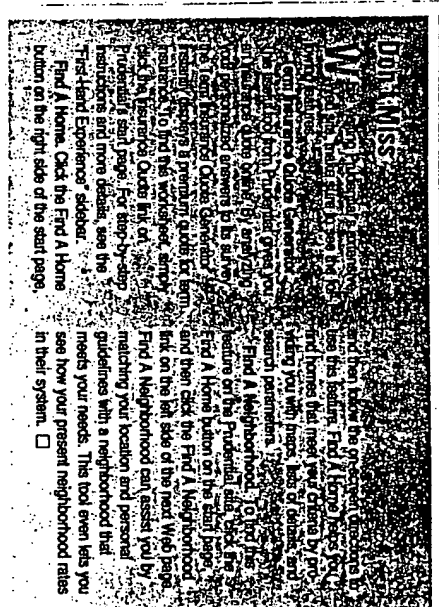
In addition, there are several press releases, a background history about the Prudential Insurance Co., and a discussion of the technology solutions at Prudential, including its plans for the impending Y2K countdown. You can even watch QuickTime movies of 30-second Prudential commercials, that is, if you have the Apple QuickTime plug-in installed for your Web browser. Prudential provides a



The Find A Home link leads to the real estate section of Prudential. Here, you can view various maps, choose from selected links, or input personal details to seek a home in a specific area.



The Prudential Insurance Co.'s Web site is well-organized, user-friendly, and displays a comprehensive array of features.



Find A Home. Click the Find A Home button on the right side of the start page.

convenient link on this page to download and install the plug-in if you need it.

■ **With More On The Side.** On the right side of the home page are the other extensive site links and tools. These additional areas of targeted information provide users with interactive quizzes and worksheets they can use to help analyze their financial and insurance needs.

The Find A Home link leads to a clever system that lets you search for a home. The real estate sector of Prudential represents this area, of course. Click the various maps, choose from assorted lists, or enter personal details into the surveys provided to seek a home in a specific area of town or in another part of the country. Enter in the price, number of bedrooms, whether you want a fireplace, if you need a finished basement, and other amenities. After you're done, the search tool outputs an appropriate list, based upon whatever homes are available that meet the criteria you've specified. Obviously the results will include a longer list of homes in the regional areas where Prudential real estate services have dominance.

An even more interesting interactive feature is the Find A Neighborhood search tool. Here, you decide what you'd like your new neighborhood to consist of, and then the tool takes your criteria and searches for the right place.

First, select a state, and then choose the distance from a particular city or ZIP code that you would like to live. Next, enter your preferences for criteria such as school performance, education/income profile, crime risk, urban/rural profile, and cultural amenities. The search tool then locates neighborhoods (via ZIP codes actually) that conform to your search parameters. An enlightening and amusing exercise is to try entering your present ZIP code to see how it rates on the various criteria.

Finally, there's the Insurance Quote area that helps you learn more about Prudential insurance and your risk factors. There are worksheets to help you estimate how much life insurance you need, what type of insurance is right for you, and the difference between permanent and term insurance. There's even a quote generator that provides a premium quote for term insurance based upon your answers to a series of questions. Thankfully, all Prudential forms that require personal information are on secure Web pages,

and you can even save your data on the Prudential site server for future reference.

■ A Myriad Of Facts & Figures. In addition, the Prudential site provides other extensive areas covering the topics of retirement planning, education funding, estate planning, and financial planning. Each section within the different areas also has links to even more pages of information. Most areas also have quizzes and calculations to help you make financial decisions.

The Retirement Planning sections contain a Tax Deferred Growth Calculator, a Retirement Planning Quiz, and information about tax implications, retirement plan examples, and retirement funding options, as well as the role of insurance in retirement planning. You will also find Prudential's Roth IRA Calculator and the IRA Conversion Calculator in this area.

The Education Funding sections include details about what colleges really cost today and projections for what it will cost in the future, and strategies for funding an education. Prudential also provides more details to help you create a plan, a quiz on your knowledge about college costs, and a College Cost Calculator to help you with this quest.

The Estate Planning sections provide an Estate Planning Worksheet, information on estate taxes, when to update your plan, the usual tools involved with estate planning, and the types of professionals to consult. There's even special information for small business owners who want to know what happens to their business if something happens to them.

The Financial Planning area includes information about mutual funds, unit investment trusts, fixed and variable annuities, and advice about what a financial plan should

cover. An Investment Personality Quiz and Wealth Accumulation Calculator are also available via the Worksheets link at the top of the page.

The Prudential Web site is impressive in several ways. First and foremost, it's easy to navigate and use. While many sites cram too much information on each Web page, cluttering their site in the process, Prudential keeps its pages simple and clean. This site works well without all the multimedia fuss. It's not fancy, has few bells and whistles, but we are glad it doesn't waste our time by making us wait for long Web page downloads.

Most importantly, this site provides a lot of easily accessible information that's basic

enough for anyone interested in insurance, investing, or financial products. We also like the fact that you can learn a lot and get customized information, all without having to register or give Prudential an exorbitant amount of personal data (especially contact information). Many other financial sites don't offer this; they expect visitors to register first. Prudential offers straightforward answers, without the hassle and intrusion of revealing personal phone numbers and addresses. That respectful approach is apparent throughout the site and is refreshing from our point of view. **B**

by David F. Farnas



The Insurance section of Prudential's site contains several interactive tools and surveys that help analyze your insurance needs.

First-Hand Experience

When I first visited the Prudential website, I was struck by the sheer volume of information available. It felt like I had entered a vast, well-organized library of financial knowledge. The site's design is clean and professional, with clear navigation menus that make it easy to find what you need. I was particularly impressed by the "Worksheets" section, which offers a variety of calculators and planning tools. These tools are not just simple calculators; they provide detailed explanations and guidance, making them valuable resources for anyone looking to plan for the future. The site also features a wealth of educational content, including articles, quizzes, and interactive tools that help users understand complex financial concepts in a more accessible way. Overall, the Prudential website is a comprehensive and user-friendly resource for anyone interested in financial planning and insurance.

Using bankrate.com



If you're like most people, buying a car is a time-consuming process of negotiating the best deal. During your hunt, you'll probably visit several dealerships and several Web sites to compare prices. Once you select a car and a dealer, you might spend several hours (or days) negotiating a price you and the dealer can accept.

Then, after you've spent untold hours sweating the details, you probably finish the deal like most people: You accept the first loan rate your dealer or bank presents to you. After all, finding a variety of information on vehicle is fairly easy, but finding information on rates and loans is a little more difficult. And most of the information, because of the avalanche of numbers, can be more mysterious than helpful.

Considering the large amount of money you'll spend on an automobile, though, it pays to take some time to research loan rates. You can perform a lot of research in a short amount of time at bankrate.com (<http://www.bankrate.com>), an objective financial information Web site, also known as Bank Rate Monitor, for consumers. The site surveys banks and credit unions on dozens

of financial topics, including all types of consumer loans. You will also find financial advice and news at the site that will help take the mystery out of your financial matters.

To move through the site easily, use the red text hyperlinks along the left side and top of the screen; these are available on every page of the site. The information you need appears in the middle of the Web page. On the bankrate.com home page, you'll see rates for several types of loans and savings accounts, plus links to the day's features and news stories, which usually provide consumer and small-business financial advice.

■ Top Links. The bankrate.com topics most popular with visitors are available through the red hyperlinks at the top of the page. There are six links at the top of the page: Calculators, Site Map, Message Boards, Rate Alert, Today's Averages, and Home. (The

Home link returns you to the bankrate.com home page.)

Calculators. You can calculate the impact of dozens of financial situations, including mortgages, savings, moving costs, credit card costs, and consumer loans, using the bankrate.com calculators. (NOTE: We encountered problems with some features of the bankrate.com calculators during times of high traffic at the Web site.)

To use the Refinancing Calculator for mortgages, for example, you first need to click the Refinancing Calculator link. After clicking the red hyperlink, read the instructions and scroll down the page. Then, begin entering the requested numbers in the text boxes, using the TAB key to move between boxes. For an explanation of any text box, hold your mouse cursor over the text to see the definition in a black box near the bottom of the page. The calculated numbers appear in the red boxes; you must click in a red box before the calculator display.

Site Map. This area of the site gives an overview of the individual pages of the site by topic and subtopic. You can get to every area of the Web site by using this page.

Message Boards. Site visitors can write and read messages for each other under a dozen topics through the message boards. To read a message dealing with credit cards, click the Message Boards text link, then the plus icon next to the Credit Card topic. Click the Worst Credit Card Deals link to read messages under that subtopic. To read a message, click its title. After reading the message, you can read any replies made to the message by clicking the red hyperlinks near the bottom of the page. To reply to the message yourself, click the Reply link (it has a green arrow icon) near the top of the page.

Credit Cards: What credit card is best for you?	
What is your credit score?	100-900
What is your annual income?	\$0-\$100,000
What is your credit limit?	\$0-\$10,000
What is your credit history?	Good, Fair, Poor
What is your credit utilization?	0-100%
What is your credit age?	0-10 years
What is your credit mix?	Auto, Credit Card, Mortgage, Other
What is your credit score?	100-900
What is your credit limit?	\$0-\$10,000
What is your credit history?	Good, Fair, Poor
What is your credit utilization?	0-100%
What is your credit age?	0-10 years
What is your credit mix?	Auto, Credit Card, Mortgage, Other

COUNTRY		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2
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link under the How Can You Fix Your Credit? section. At the next page, you will find several links that can help you determine the best method for improving your sagging credit rating.

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to finance-related sites is by clicking the Partners link in the About area along the left side of the screen. Each of the listed businesses works in conjunction with Bank Rate Monitor to help consumers better manage their finances.

less. You'll find definitions for terms often used by credit card companies, too.

You can also use the Find The Best Rate box near the top of the page to find the perfect credit card for you. Make sure that All Of Us is in the text box and click Start. On the next page, click the arrows in each of the five text boxes and make a selection to narrow your credit card options. Then click Go. The site will return a list of cards that meet your criteria. Click one of the column headers to sort the list using that column.

Money Markets. After clicking the Money Markets link, you will find information, news, and the latest yields for money markets and the latest yields for money market accounts. You can also use the text boxes near the top of the page to search for a particular type of money market account.

How To section of the Web site allow you to work interactively with the information on the site.

Check Your Bank, Bank Rate Monitor
Checks data from the Federal Deposit Insurance Corp. (FDIC) and other government offices to analyze and rank 20,000 institutions nationally. Check Your Bank link (for more information) on the Check Your Bank page, see the "Don't Miss" sidebar.)

Define Terms. If you're unsure about the meanings of financial terms used at the site, click the Define Terms link. Click the topic to the terms you want to learn about.

Manage Your Credit. A poor credit rating will follow you almost everywhere, affecting several areas of your life. By following the Manage Your Credit link, however,

can help.

On the Master The Basics page, click the **Hyperlink for the topic you want**. You will see a listing of stories you can read and detailed information.

Watch Market Rates. The bank's site compares several current rates, including the prime lending rate and the discount rate, as well as rates a month and one year ago. This \$

some insight as to where you should place your investments.

Browse Link Library. To find other resources on the Web that relate to consumer and small-business finances, click the Browse Link Library link. This will take you to a list of several Web sites, sorted by topic, that provide additional financial information. Click the topic you want and then click the link of the Web site.

your visit to the site. Financial matters can be a major source of frustration for consumers, especially when you don't have all the information they need to make the best decisions. By using [monitorize.com](http://www.monitorize.com), though, monitoring finances is no longer mysterious. **19**

by G. Scherman

co.

Don't Miss

The strength of the new **Check Your Credit** from **Experian.com** is the data's ability to tailor the results to meet your individual needs. One area in which the individual tailoring capabilities come in handy is the **Check Your Bank Rate** page.

Bank Rate monitors data from the Federal Reserve and the Deposit Insurance Corp.

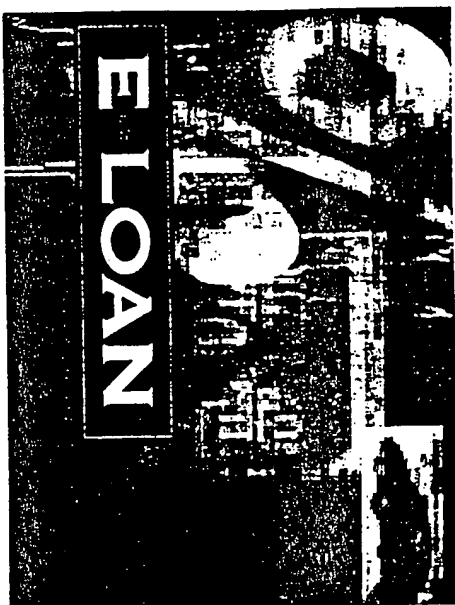
For more information on this and other services, visit www.experian.com.

rating.

[illegible][illegible]

The new **Money** magazine is a must-read for anyone who wants to know how to make the most of their money. It's the only magazine that gives you the inside scoop on the latest money-saving techniques, investment opportunities, and more. It's the only magazine that gives you the inside scoop on the latest money-saving techniques, investment opportunities, and more. It's the only magazine that gives you the inside scoop on the latest money-saving techniques, investment opportunities, and more.

Using E-LOAN



If you have a current home loan, you probably went to a mortgage company or bank, filled out mountains of paperwork, then waited days or even weeks for approval. Perhaps now you want to buy a new house or refinance your existing loan for a better interest rate. Before traipsing from bank to bank, you should take a look at E-LOAN at <http://www.loan.com>. At this site you can see how much money you qualify for, compare the different types of loans, and even apply for the loan.

Perhaps you know nothing about loans and prefer to contact a real person so you can ask questions. With E-LOAN, you get all that and more. And best of all, it's free. So point your browser to the E-LOAN home page and let's get started.

■ **Financing A New Home.** From the E-LOAN home page, to apply for a new loan, click the Finance Your Home Purchase link. When the page displays, notice the Home Finance 101 link at the top. If you have questions about the loan process, the appraisal process, locking in interest rates, or signing closing documents, just click the Home

the fixed rate loan, in times of inflation the rate could soar. To learn more about how ARMs work, click the Learn More link.

Manage your debt by clicking the Learn How To Wisely Manage Your Debt link, and take advantage of strategies for qualifying for a larger loan by clicking the Learn More About Wise Loan Purchase Strategies link.

Many loans have "points," a form of pre-paid interest. Whether you should pay points depends on how long you keep the loan. Click the Learn More About Points link for details.

Most people believe loans reduce to a zero balance eventually, but some loans have "negative amortization." That means rather than reducing the loan balance increases. You can find out more about what causes this by clicking the Find Out More About Negative Amortization link.

One item that affects your loan approval is the ratio of the loan amount to the value of the property. Obviously, you cannot borrow more than the property is worth. For more information on loan-to-value ratios, click Learn More About How LTV Affects Your Loan.

If you have less than 20% equity in your property, you may have to pay private mortgage insurance. E-LOAN explains how to avoid paying these premiums. Just click Read More About Mortgage Insurance.

Finance 101 link at the top of the page. You should also visit this section if you want to know whether you should refinance, or to find out how a no-closing-cost loan works. Click the Find Out More link to find out more about E-LOAN's services.

To find out about loan costs, click the Learn More About A GFE link. Then click the Read Our Responses link to see answers to frequently asked questions. Your credit report will play a major role in whether or not you will qualify for a loan, and you can order a copy by clicking the Order A Credit Report link.

Do you know the difference between fixed- and adjustable-rate loans? A fixed-rate loan has the same payments throughout its life, so your payment is constant. An adjustable-rate mortgage (ARM), on the other hand, is tied to a certain financial index, such as the treasury rate. While its rate may be lower than that of

the application, approval, and rate-locking processes. Print this page for easy reference. Remember not to make any major changes to your financial picture during your loan process. Don't apply for any credit cards, change jobs, or make any large purchases. If you do, you may jeopardize your loan's ability to fund.

Choose the Search Rates link to check rates for the loans ranging from a one-month ARM to a 30-year fixed mortgage. Just click the type of loan you want to check out, then fill in the information in steps 2 through 8 by typing in the fields or clicking the buttons. Steps 7 and 8 include links to explanations about documenting your income and prepayment penalties.

When you finish entering the information, click Search for Rates. Another page displays, showing loans from the most competitive lenders serving your geographic area. To see more 30-year fixed loans, click the Click Here link. To view the closing costs, click View under the closing costs column. A page displays, listing the details for that loan. Click Back when you finish with a section.

To view loan details, click View under the Loan Details column. A page displays the forecasted interest rate, your monthly payments,

E-LOAN Purchase
 Search results: 28 days lock period
 Last updated: 10/20/99 10:20 AM
 Use amount: \$100,000.00
 Rate: 7.00%
 Term: 30 years
 Points: 0.00
 Monthly Payment: \$665.43
 Total Interest: \$237,948.00
 Total Cost: \$337,948.00

E-LOAN Refinance
 Search results: 28 days lock period
 Last updated: 10/20/99 10:20 AM
 Use amount: \$100,000.00
 Rate: 7.00%
 Term: 30 years
 Points: 0.00
 Monthly Payment: \$665.43
 Total Interest: \$237,948.00
 Total Cost: \$337,948.00

When you search for rates, E-LOAN provides a list of loans from the most competitive lenders in your geographical area.

the yearly interest rate, the terms (including the points), any prepayment penalty, the name of the lender, and the period of time this interest rate is good (lock period). Click Back when you finish.

To compare the interest rates, click two boxes under the Check To Compare column. Then click Compare Loans. A page displays showing the loans' details. You may see that while one

has fewer points, its monthly payment is higher and so is its interest rate.

If you don't know what type of loan to apply for, click the Recommended A Loan link to have E-LOAN help you. Once again, a form displays. Type your information in the fields. Step 8 asks if you will consider a loan with a balloon payment, which is a large payment due after a period of time. Click More About Balloon Loans for details. When you finish, click Recommendations. The recommended loans appear. When you finish, click Back until you reach the search results screen again.

To find out if you can qualify for a loan, click the Can Pre-Approved link and fill out the necessary forms.

To apply for a particular loan, click the Apply next to it. The application displays. It takes about 20 minutes to fill it out. Click Next to move from page to page. When you finish, click Submit to send your application to E-LOAN.

Refinance Existing Mortgages

If your mortgage has an interest rate you feel is too high, you may want to refinance. E-LOAN can help you find and apply for your new mortgage. At the E-LOAN home page, click the Refinance Your Mortgage link. A form displays.

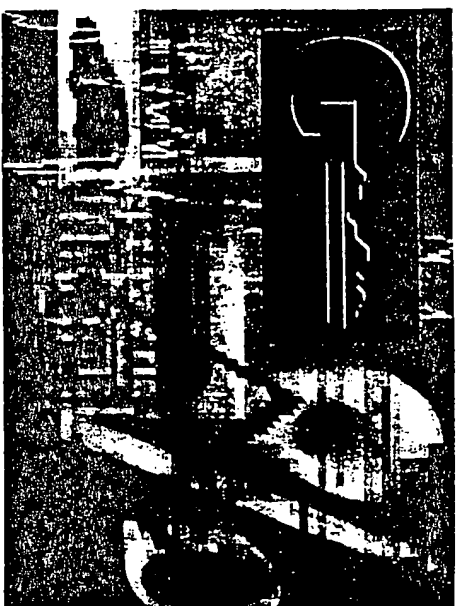
DON'T MISS

E-LOAN is the only website that provides a complete guide to the home loan process. From the initial application to the final closing, E-LOAN provides a step-by-step guide to the home loan process. This guide is available in both English and Spanish. Click the Don't Miss E-LOAN link to learn more.

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Using Gateway Equity & Loan Network

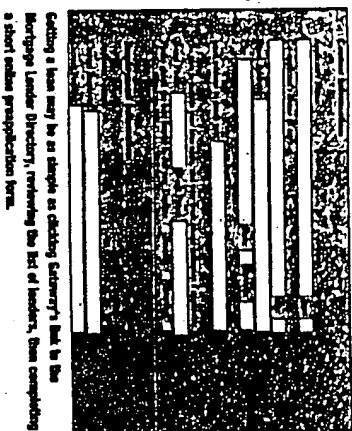


contracts. To be listed on Gateway Equity & Loan's Web site, a company merely pays a \$250 annual fee and completes a brief online form. For an additional \$300 design and setup fee, plus \$20 per month for an online display fee, Gateway will even design a company Web page for your service, then place a link to your company's page in the appropriate Service Directory.

Compare the listed companies closely and investigate them thoroughly. You want to find a reputable service provider and the best possible rate for your loan or mortgage. Even a tenth of a point difference in loan terms will yield substantial savings over a 30-year loan period. For example, borrowing \$125,000 for 30 years at 7.75% costs \$157,908. Closing the same 30-year deal at 7.65% costs only \$155,425, a savings of nearly \$2,500.

■ What's Available. The site is organized around four major information categories: Real Estate Loan Information, Online Financial Tools, Gateway Web Links, and other real estate directories. For example, if you click the Real Estate Loan Information link, a new page displays with links to a Mortgage Newsletter, which provides general advice to buyers interested in securing the lowest possible loan interest rate; Real Estate Loan Rates, for comparison shopping when looking for mortgage rates and finance programs; a No Fee Loan Program, with tips on refinancing or purchasing a home with no closing costs or points; Lenders Loan Rates, with access to several lenders quoting their best rates and terms; and Lenders & Realtors Local Area News Reports, featuring information about communities, schools, industries and employment in particular areas.

■ Real Estate Loan Information. One section you should visit on the Real Estate Loan Information page is the link to Real Estate Loan Rates. This section provides industry rate estimates for a variety of programs, which lets you compare mortgage rates for single-family primary residence purchases or refinance loans. Actual loan rates lenders offer may be higher or lower than the rates Gateway lists. After you review these rates, click the link to the Mortgage Lender Directory, review the list of lenders, then complete a short online prequalification form. The lender(s) you select will review your request and contact you with



Getting a loan may be as simple as clicking Gateway's link to the Mortgage Lender Directory, reviewing the list of lenders, then completing a short online prequalification form.

more information about loan programs. Gateway recommends you ask for rates, points, and loan fees before making any decisions.

Gateway organizes its list of mortgage lenders, real-estate agents, and contractors by state. You also can search for lenders in Canada. Simply select your state to review the listed companies. The list is not alphabetized, nor is it representative of all the companies that may be licensed to operate in your state. For example, there were only seven services listed for Massachusetts, and of the 25 services listed for California, 11 were affiliated with Century 21. For more information about a particular company, place a check mark in the box next to that particular service, then complete the prequalification form. After you submit the completed form, Gateway sends your request to each lender you chose.

■ Online Financial Tools. For help with number-crunching, click the Online Financial Tools link on Gateway's home page. There, you'll find three online calculators. Use the Bill Consolidation Tool to calculate how much you can save by consolidating all your outstanding bills into one lump sum, then refinancing that amount. For instance, if you're paying a college loan at an interest rate of 8%, a credit card loan at a 14% rate, a car loan at a 7% rate and you consolidate those loans into one mortgage package at a 5.75% interest rate, this calculator will figure out what you will save. It will calculate the principal amounts and monthly payments for both a 15-year and a 30-year fixed-rate loan, performing consolidation calculations for up

to 10 creditors. To compute your savings, simply enter the creditor's name, the amount you owe, and the monthly payment you make, then enter the interest rate you'll pay for the consolidated bill loan. To get a general idea of present loan rates you can expect to pay, click the link to Gateway's Loan Rates page.

Gateway's loan Pre-qualification Tool enables you to estimate maximum home purchase prices (for 15-year and 30-year loans), monthly mortgage payments, and loan amounts for (15-year and 30-year fixed loans) for which you qualify. It's very useful because there's no sense trying to take out a loan for an amount no financial institution will lend you. Estimates are based on a maximum 36% total debt payment-to-income ratio. In other words, if your total debt

ratio is larger than 36%, a real estate loan underwriter won't approve your loan.

To see how big of a loan your debt payment-to-income ratio permits, enter your total gross monthly income (if there is a co-borrower on the loan, enter that income, as well). The income figure you enter should take into account all net income, including amounts from rental properties, stocks and bonds, interest on savings, social security, pension amounts, etc. Next, enter the total amount you pay on any debts that will extend beyond the next 10 months. This figure should include all debts but not an existing mortgage payment if you plan to sell the house or refinance the loan. Then, enter the amount you're willing to make as a down payment on the home.

Finally, enter the loan interest rate. Click the Estimate Pre-qualification button to have the calculator estimate the maximum monthly payments you can afford, the maximum amount you can afford to borrow on both 15-year and 30-year loans, and the maximum purchase prices and down payments you can expect to pay for 15-year and 30-year loans based on 80% and 90% loan-to-value (LTV) ratios. The LTV ratio is the ratio of the

Financial Experience

When you're looking for a new house, you need help finding a real estate lender, real estate broker, or contractor servicing your area? Want to see how much a prospective mortgage will cost you over the life of the loan? For answers to these questions and many more, point your browser to Gateway Equity & Loan (<http://www.gelelan.com>).

Billed as a "mortgage lender & real estate loan service," Gateway Equity & Loan features useful information for home buyers and mortgage borrowers, including a real estate service directory, detailed mortgage loan information, several financial tools, and more real estate-related service providers than you'll know what to do with.

Information about Gateway Equity & Loan is not available at the site. You can send an E-mail message to the company at gelelan@ix.netcom.com to request this information, but you won't find any About Gateway link.

Some visitors may find this a bit unsettling. After all, if someone recommends a mortgage lender to you, you want to know if this recommendation is reliable. A quick browse through the site reveals Gateway Equity & Loan is not a lending institution. Instead, it functions much like a real estate portal, that is, it's a one-stop supermarket for links to real estate-related lenders and services.

If you're in the market to buy or borrow, you'll appreciate the available loan information and real estate services. The site features 30 Real Estate Service Directories with listings for mortgage companies and lenders, title companies, escrow companies, appraisers, mobile home dealers, contractors, credit report agencies, home inspection companies, moving companies, home maintenance and repair services, and more.

We urge you to exercise caution before making financial commitments or signing any

The Web Links Real Estate Listings provide links to real estate companies that can help you track down the perfect property.

ase price based
du entered.
runcher avail-
ortgage loan
Information Center.

Gateway's Web links are limited. For example, click the Real Estate Service And Products link, and you'll find information about one 1031 exchange, three appraisers, one buyer's broker, and two professional associations. Click the Financial Information link at this site and only six Web links appear: C|Net Central's financial page, Hoover's Online, MIT's Experimental Stock Market Site, Money And Investing Online, Silicon Investor, and Wall Street Net.

The Real Estate Listings link is much more extensive, enabling consumers to locate several services that can help them find what they need. There are companies that handle both residential property and commercial listings, either nationwide or by state. Unfortunately, not every state is represented.

The final Web link on this page, Search Engines And Indices, is useless as far as real estate information is concerned. It connects you to a page of Internet search engine links, such as AltaVista, Excite, Lycos, WebCrawler, and Yahoo!.

■ **Other Real Estate Directories.** Gateway's links to other directories connects you to all kinds of services. You'll find links to directories of lenders for particular types of loans, including mortgage, contractor, SBA lenders, commercial mortgage, wholesale, personal, auto and RV, and mobile home loans. There also are links to directories of service providers, such as appraisers, area and home sales reports, credit report agencies, home

inspection, home insurance, home maintenance, home security, and others. There's even a link to a nationwide directory of title companies offering title insurance for real estate refinance loans and real estate purchase loans.

You'll also find on the home page a [Click Here](#) link, which takes you to a commercial real estate and business Web directory. Check out this link for information about commercial buildings with tenants by category of commercial property (medical, industrial, shopping center, commercial buildings, and retail stores) and state location. You'll also discover a link to a [United Lending](#)

Group Web Directory, which describes itself as a "direct mortgage lender offering conforming, and non-conforming loans for purchase or refinancing purposes." This group specializes in subprime lending and lending assistance for borrowers with credit problems.

No matter what your financing plans are, you'll find a host of resources at Gateway Equity & Loan. Just do a little homework on your needs and payment abilities and let Gateway do the footwork for you. **13**

by Carol Holzberg, Ph.D.

Don't Miss

Homeless people who have little or no

equity during the loan to protect the lender's interests. If the borrower's financial condition improves, purposes should check

our Gateway's 2.25% Mortgage Lender Directory for a list of Title One Lenders.

organized by state. Click a state to select it, then click the check box to

Type of loan you require. Click the

Service Request form button at the bottom of the page, then fill out a brief

online Service Request Form with contact information. Gateway forwards

your request to the companies you selected. A company representative will

call to discuss the type of service you need. ☐

Figure 1

Manage Your Finances With A PC

Going to the competition is healthy. Competition forces you to strive to improve and to work hard to achieve a goal. As a consumer, you know competition between businesses helps keep prices in line. Plus, it also forces companies to constantly improve their products to keep pace with the industry.

Competition is a major force driving software companies to improve their products. One sector where such competition is beginning to heat up is in personal finance software: Intuit's Quicken Deluxe 99 is clearly the most popular product, but Microsoft Money 99/98 Financial Suite is making a strong bid to catch that popularity.

But these two products aren't the only contenders in the race to become the personal finance software leader. Peachtree's Accounting

Managing Your Money (MYM) are also good products for helping you track your finances.

(NOTE: All the programs discussed in this story are commercial software, which you can buy in a store or download for a fee from the company's Web site. For information on free financial-management software, see the "Free Financial Software: Trial Versions You Can Download & Try Before You Buy" article in this issue.)

■ Web Integration. Whether you are looking to pay bills online, track your banking accounts through the Web, or find financial

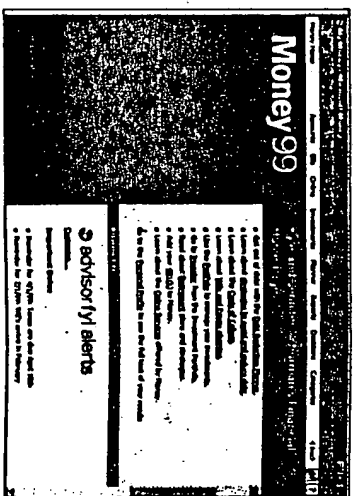
advice through a seamless connection between your financial software and the Internet, these programs can help.

Quicken. Many banks now offer online bill-payment services that you can access through Quicken. Many also allow you to download your account information in a format compatible with Quicken. This saves you from having to manually input the information into the program. To see whether or not your bank supports such use of Quicken, either contact your bank or click the Online menu and the Financial Institutions command. If you can't pay bills online through your bank, Inuit offers you the ability through Quicken to connect with an online bill payment service.

When you install Quicken, it will ask you to set up the program to automatically dial your Internet connection, which will help the program work seamlessly with the Internet. When you work inside the program, you will often move between the software and Internet sites to access needed information, especially when using the financial advice portions of the pro-

gram. Quicken.com is one of the best sites on the Internet for finding financial advice, and Quicken 99 takes full advantage of it.

One of Quickden 99's best new features is WebEntry, which allows Quickden users to enter transactions from any location through the Web. Then, when you return to the computer where you have Quickden installed, you can download the transactions and have them entered into your Quickden account register. You also have the option of viewing any notes or alerts you have made in your main Quickden program. This feature is especially convenient for frequent travelers who want to track



spending no matter where they are. This gives Quicken unmatched flexibility.

Unfortunately, some of Quicken's Web-integration services are a little difficult to set up, mainly for those who exclusively use the Netscape Navigator Web browser. Quicken ships with Microsoft Internet Explorer, and its features work best with Microsoft's Web browser.

Money. As with Quicken, many banks allow you to access account information and make bill payments using Microsoft Money software. If your bank does not offer online bill payment, Money can help you use a third-party electronic bill payment service. Most banks that offer online account trading allow you to download account information into Money.

Money also offers its users the latest financial news headlines and important bank rates through its home page. Updating this information is as easy as clicking the Update Internet Information link.

When you access the Web through Money, a built-in Web browser helps you find the information you need. Money's ability to move seamlessly between the Web and the program is unmatched.

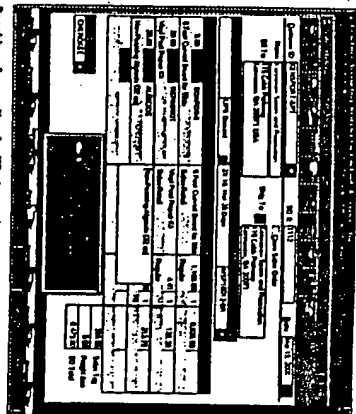
Peachtree Accounting. Peachtree Accounting's online offerings are extremely valuable for small-business owners. Whether you are looking to pay bills online, manage bank accounts, or download account information from your bank, Peachtree Accounting makes the process easy.

A few other features are handy, too. For instance, you can use Peachtree Accounting and its included Peachtree program to set up a Web site with a storefront. Even if you don't have any experience with creating Web sites, Peachtree can walk you through the process.

Peachtree is a strong integration tool because of its ability to take your company's inventory, which you previously entered in the main program, and incorporate that information into an online catalog that visitors to your Web site can use to select products. Users can set up Peachtree to also accept online payments through a secure link.

MYM. Integration with the Web is what drives Managing Your Money. Some banks use MYM to allow users to manage their accounts through online banking. In the past,

MYM was a standalone program similar to Quicken and Money. Now, however, instead of being found on store shelves, it is increasingly being offered through financial institutions. For example, NationsBank branches in several states use MYM. When users sign up to use MYM with their NationsBank accounts, they receive the software in the mail to install on their PCs. Once users install the software, they can then access their accounts online.



Peachtree Accounting for Windows gives small-business owners an easy method for tracking orders and inventory.

Using MYM through your bank allows you to perform a number of functions, including transferring money between accounts. You can also create a budget, estimate your taxes, or create reports and graphs. You can easily transfer the data you create using MYM to Quicken or Money and vice versa. Some banks will charge a monthly fee for these services with MYM, while others include MYM free with a checking account or when you sign up for the bank's bill payment service (which you can usually monitor through MYM).

Account Tracking. One of the main reasons people decide to use personal finance software is to figure out where their money goes each month. As long as you doggedly enter your financial data on a timely basis, these programs give you the power to make the data provide the answers you want.

Quicken. Quicken's account-tracking features have not changed much in the past few years for good reason—improvements really

are not necessary. Quicken's account register window is easy to use—it looks just like the register you use with your printed checkbook. You can use the Quicken financial calendar to set up future payments. You can choose to create multiple accounts for tracking your checking, savings, and CDs.

Creating graphs and reports is an easy process, as long as you categorize each of the transactions you enter into the register. You can customize these reports to yield exactly the information you need.

Budgeting in Quicken can be automatic. If you have used Quicken for a few months or longer, you can use the data to create a future budget based exclusively on your past spending habits. As long as you enter categories with each transaction, Quicken can transfer the data from each transaction to your budget.

You can also flag certain accounts, having Quicken let you know when they reach certain levels, or you can set Quicken to alert you when you surpass a certain budget amount. Quicken's home page will present these along with other important alerts, such as the upcoming due date for quarterly income tax payments.

One new feature that sets Quicken apart and that may save you time is QuickEntry. If you only have a few transactions to enter in Quicken, and you need to enter them fast, QuickEntry allows you to enter the transactions without opening the full-fledged Quicken program, which can load slowly on older computers. Then, the next time you open Quicken, it will automatically post the transactions you previously entered using QuickEntry.

Money. We hate to be redundant, but Money's account-tracking features are nearly identical to those found in Quicken. Money offers an easy-to-use account register, support for multiple accounts, detailed graphs and reports, automatic budgeting, and it alerts you when you reach certain financial goals or budget figures. Both programs are extremely easy to use and offer a wide variety of features for account tracking.

Peachtree. Because it's aimed at small businesses, Peachtree Accounting incorporates inventory tracking with its account tracking. The program's interface mimics typical paper checkbook registers, invoices, and order forms with which most people are already familiar.

Peachtree Accounting has greatly improved its report features in version 5.0, making report generation easier and faster than in previous versions. The program allows you to set up alerts when you (or your company) reach certain values, such as the credit limit for a particular customer.

The program's inventory-tracking features not only help small-business owners know when they are running low on certain products but they also help them calculate inventory values for tax purposes. And because the product supports multiple users, you can assign several users to enter information for inventory-tracking.

Investing. With the explosion of Internet-related information on the Internet and the increase in stock trading by individuals, it's not surprising that Quicken and Money, which are aimed at individual users, offer strong portfolio-tracking features. (Peachtree Accounting does not contain investment features.)

Whether you want the latest stock news, historical stock quotes, or basic portfolio tracking, both programs offer plenty of features. (If you are looking for a detailed program that only tracks portfolios, see the sidebar.)

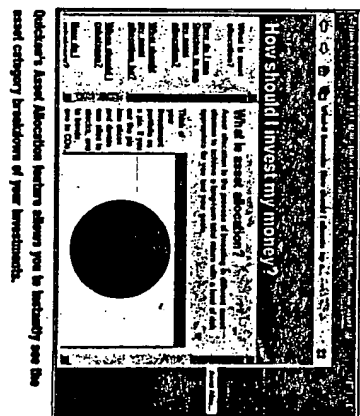
Quicken. To track your investments in Quicken, you use the same basic account register window you use to track your checkbook expenditures, with a few differences. Instead of entering a payee's name, for example, you will enter the name of the stock you purchased. Whether you are tracking a Roth IRA account, a 401(k) account, or a taxable investment account, you use the same basic register window in which you can enter your stock, bond, and mutual fund purchases and sales.

This integration between the various portions of Quicken is one of its major strengths; once you learn how to use one portion of the program, your knowledge translates to nearly all other portions.

Once you have an investment account, you must manually add the securities that are part of all your accounts. This can be a hassle if you invest in dozens of different stocks, but the setup should take less than one minute per security. If you want to track the performance of some stocks or funds you don't yet own, you can create those securities, too. After you have created a security, you can use it with any of your investment accounts.

Quicken closely integrates its investment features with the Web. Once you have entered all your investment transactions in the account window, you can connect to the Internet to download the latest prices for each security you added and the latest news headlines for each security. You can review the price history for an individual security in a graph format. Quicken can also display an asset-allocation pie chart, showing what percentage of your investments are tied up in each asset class, such as large-cap stocks, small-cap stocks, and bonds.

Through the Portfolio window, Quicken will calculate the market value of each of your accounts and the total market value for all your investments. It will also show the return on your investments, both in percentages and in actual dollar amounts, taking into account any commissions or fees you had to pay.



Quicken's Asset Allocation feature allows you to instantly see the asset category breakdown of your investments.

Another Quicken feature is Portfolio Export, which lets you upload your portfolio information to the Web. Then, whenever you connect to the Web via a remote computer, you can view your portfolio information.

Money. Money combines with Internet-based Microsoft Investor (a portion of The Microsoft Network) to deliver investment news and information. When you enter your portfolio into Money, you can have the information uploaded to Investor. Money then automatically updates and syncs the two portfolios to reflect changes made in one or the other. Money can also download investment and security headlines and news stories relevant to your situation.

Investor is seamlessly integrated with Money. When you click certain text links in Money, a special browser window opens that connects with the Investor Web site. All visitors to the Investor Web site, regardless of their membership status, can perform some research, including stock price charts, company reports, and delayed quotes. (See the sidebar for more information on the premium membership features available through the Investor Web site.)

Money also offers one important investment feature that Quicken does not offer—employee stock option trading, something that affects more and more employees every year. With all the intricacies required to correctly track some stock options, Money's specific instructions and stock option window are extremely helpful.

Money's overall portfolio- and investment-tracking feature, however, isn't quite as easy to use as Quicken's. And the constant bouncing between Money and Investor will frustrate some non-subscribers to Investor because they won't have access to some of the information.

Other Versions. You also have some different versions from which to choose when selecting the right finance software.

Quicken. While the information we have listed here applies primarily to Quicken Deluxe 99, several other versions are available.

Basic 99 (\$30) allows you to track your bank accounts and pay your bills online. Portfolio-tracking features are available in Basic 99, but they are extremely limited. Suite 99 (\$90) is three programs in one—Deluxe 99, Quicken Financial Planner, and Quicken Family Lawyer. Financial Planner helps you determine how to save for the future, but it does not offer any portfolio-tracking features. Family Lawyer contains skeleton documents that fit dozens of legal situations; the information

you enter personalizes the document to meet your legal needs.

Some versions of Quicken, such as Home & Business 99 (\$50), incorporate features for small-business owners, as well as features for individuals. Home & Business 99 contains all the features found in Deluxe 99 along with several business features, including basic inventory tracking, payroll creation, and detailed invoice creation. QuickBooks Pro (\$220) adds support for multiple users and advanced budgeting among other features.

Money, Microsoft's offering, offers two versions of Money—Financial Center, which we discussed throughout this article, and Money Basic 99

(\$30). The basic version offers only basic financial planning and investment features, rather than the detailed features you will find in Financial Center. With Basic, you aren't eligible for the free six-month trial membership in Investor.

Peacemaker. Several versions of accounting programs are available from Peacemaker, in addition to Peacemaker Accounting for Windows 5.0. Peacemaker First Accounting (\$50) doesn't contain the Web creation and Web business tools found in Accounting for Windows, and First Accounting's inventory-tracking features are fairly basic. Peacemaker Complete Accounting Plus Time & Billing (\$249) expands on Accounting for Windows, offering detailed features for tracking employee work time and creating payroll. Peacemaker Office Accounting

(\$99) offers all the basic accounting features your small business needs, but its best feature is its ability to translate its data into formats compatible with all aspects of Microsoft Office.

■ **The Final Pitch.** According to Intuit, four out of five people who use their computers to track personal finances use a version of Quicken. Such market dominance has sparked the competitive fires in other software companies, yielding some outstanding products.

Managing Your Money is best for those looking to simplify integration with their financial institution but don't want a full-fledged personal finance program. Peacemaker Accounting works well for those looking for features vital to small businesses that maintain an inventory and want online banking.

For More Information:

Quicken Deluxe 99	Peacemaker Accounting for Windows 5.0
\$60	\$129
Intuit	Peacemaker Software
(800) 446-8848	(800) 247-3221
(650) 944-6000	(770) 724-0000
http://www.intuit.com	http://www.peacemaker.com
Microsoft Money 99 Financial Center	Managing Your Money
\$60	(NOTE: Costs vary, depending on your banking institution. MFC99 provides support only through E-mail and through the Web.)
Microsoft	MFC99 Software
(800) 426-9400	http://www.mfc99.com/retail
(425) 882-8080	
http://www.microsoft.com/money	

Portfolio-Tracking Software

Portfolio tracking software is designed to help investors track their investments and manage their portfolios. It typically includes features such as automatic downloading of stock prices, dividend tracking, and portfolio valuation. Some software also offers advanced features like tax reporting and performance analysis.

Microsoft Investor

Microsoft Investor is a comprehensive portfolio management tool. It allows users to track multiple accounts, including mutual funds, stocks, and bonds. The software provides real-time updates on market prices and offers detailed reports on portfolio performance. It also includes features for setting investment goals and monitoring progress.

Capitol Individual Investor

Capitol Individual Investor is a software solution for individual investors. It provides a user-friendly interface for tracking investments and generating reports. The software supports a wide range of investment types and offers tools for analyzing market trends.

Quicken and Microsoft Money, however, clearly are the top products for individuals seeking a combination of dozens of financial features. The differences between the two newest versions of the products are minimal, but Quicken seems to offer a few more features that most users will like, especially business travelers. At this point, little reason exists for current Quicken users to make the switch to Money.

By Ryle Schuman

Money Manager

Money Manager is a powerful financial management tool. It offers a wide range of features for tracking personal finances, including budgeting, bill payment, and investment tracking. The software is known for its ease of use and comprehensive reporting capabilities.

Personal Record

Personal Record is a software application designed for tracking personal information and financial data. It provides a structured way to organize and analyze various types of records, from medical history to investment portfolios.

Portfolio Logic

Portfolio Logic is a sophisticated investment management software. It is designed for investors who want to optimize their portfolio performance through advanced analysis and rebalancing strategies. The software offers detailed insights into market movements and provides tools for making informed investment decisions.

Free Financial Software

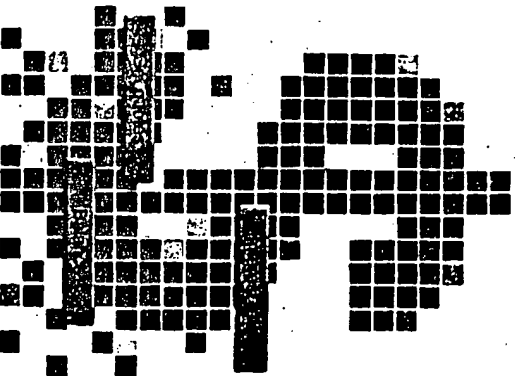
Trial Versions You Can Download & Try Before You Buy

W

hen you think about it, money is really just information. Dollars are digital symbols of what you've earned, inherited, and tucked away for a rainy day. And with the ubiquity of online banking and investing, it's no wonder that ordinary people are turning to financial software to manage their personal finance information.

Naturally, there's Microsoft Money and Quicken from Intuit Inc., which you can buy to help track your assets and expenses. Still, these do-everything products don't always, do everything. And for some, they simply do too much. Which brings us to the abundance of other applications—software that you can try, and in some cases, use for free.

We scanned the Internet to come up with applications that answer some of those nagging financial questions, such as: What happens if I pay \$50 more per month on my mortgage? Is it better to buy or lease? Is there a simple way to track my portfolio automatically, without getting a migraine? There is no sense in asking hypothetical questions unless you get with it and find a way to start calculating some answers.



Loan Consolidation, which shows you how to manage debt by consolidating several obligations into one loan with a lower interest rate.

In addition, Debt Analyzer creates a series of reports that show you how your plan works, as well as when and how much you need to pay toward your loans to become debt-free. Just click the Report button and Debt Analyzer does the rest. We entered some sample numbers to see what Debt Analyzer was willing to handle. We set up a credit card balance of about \$1,300, with regular payments of \$27 per month (rate of 20.73%), a \$753 per month home mortgage (rate of 7.75%), and a \$20,000 home equity loan (rate of 8.50%) that had monthly payments of less than \$250.

We chose Debt Reduction Schedule, entered \$200 as the additional amount we could apply toward the loans each month (you can also enter a monthly budget and let Debt Analyzer figure this out for you), and then asked the application to create a plan. Debt Analyzer created a schedule that cleared the highest-interest Visa debt first, then the home equity loan, and finally the mortgage, saving us over \$22,000 in interest and reducing the payback time on the home equity and mortgage loans by five years.

If debt is your problem, Debt Analyzer is for you. It can change your financial life.

Debt Analyzer 97
free evaluation, \$28 registration
(800) 295-1890
<http://www.debtanalyzer.com>
info@whitools.com

Debt Analyzer has you fill in the blanks for each debt you have. You simply click the Add button to set up loan information, such as Name Of Debt, Minimum Payment, Current Payment, Balance, and Interest Rate. Then after you've configured your debt information for a credit card, mortgage, or another type of loan, Debt Analyzer reviews your situation and based upon one of three built-in approaches, it automatically advises you about the best way to get out of the red.

All you need to do is choose the method that fits your situation from the Reduction Plan drop-down menu. For example, Timed Debt Elimination creates a plan for being debt-free within a specified time frame. Another approach, Debt Reduction Schedule, computes a schedule that keeps your creditors happy, while still accelerating payoffs. Then there's

you want to save it as an Expense or Income item. Expense items appear in red and in the transaction register, and Income items appear in black.

To create a cash flow report based on categories and dates you specify, click the Reports button. To get an instant display regarding the number of transactions you've made to date in a category and the monetary amount of each transaction, just select a specific category from the main screen.

Easy Money is a fair application if you just need to get a handle on where your money is going. However, there are other financial applications, such as just Checking, that are just as easy to use and offer a lot more features.

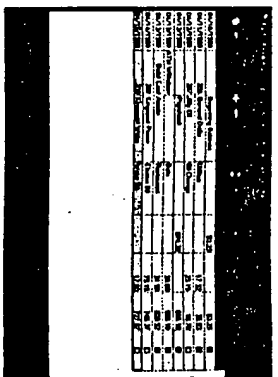
Easy Money
free evaluation, \$15.00 registration
(614) 447-1600
<http://www.waverlystreet.com>
dgess@netnet.com

Expenses. Obviously, as the developers of this program, AppMagic has experienced the trials and tribulations of sharing living quarters with other roommates. ExpenseIt, which is still in its beta (pre-release) version, focuses on keeping track of shared expenses and who owns what. For example, let's say Jill and Susan share an apartment. When Jill buys groceries for a week, and Susan pays the utility bills for a month, each roommate simply enters the date, the expense they paid, and the monetary amount into ExpenseIt. The program can then keep track of who paid what and fairly designate which roommate owes the other for shared expenses.

You can further organize responsibility for payment by selecting a category, such as Split Equally, or set up a custom category that does an uneven split among the participants. There's even an Owned By option—just to make sure everyone doesn't forget who bought the stereo, for example. A dialog box maintains a listing of who owes whom and how much. And to balance payments at the end of the month, just click the Pay Up icon, and ask those who owe money to pull out their checkbooks and start writing.

ExpenseIt
free evaluation (still in beta stage)
<http://www.expenseit.com>
TechSupport@AppMag.com

Just Checking. Here's an application that handles your checkbook register—deposits and withdrawals—and categorizes your income and expenses. We like the undifferentiated interface and the ease of setup. Click the + icon to add a transaction, specify whether it's a deposit or withdrawal, and then enter the date, check number, payee, and amount. All



Just Checking is a workable program with an organized and easy-to-use interface that makes setting it a breeze.

transactions appear in your check register, which looks similar to the register in your paper checkbook. A mark in the last column indicates that a given check has cleared. And generating an expense summary by payee is as simple as a mouse click.

In addition to its clean interface, we also like just Checking's ability to import QIF (Quicken) files, which is especially useful now that many banks are moving toward Web-based bill payment. In this manner, you can do your transactions through your Web browser. But in order to get them into your personal financial application, you have to download and import a file, often a QIF file. Just Checking, from developer Brent Stetson, is a great choice, then, if a checking account is the only account that you're handling online. If you need check-printing capabilities, however, you may want to spill out some dollars for Quicken or Microsoft Money, because just Checking doesn't print checks.

Just Checking
free evaluation, \$12 registration
(800) 903-1152 (via the ShareIt! order service)
<http://pages.prodigy.net/bstetson/bstetsonprodigy.net>

looking for at program that can analyze the facts and figures for financing a large purchase. Or maybe you want to compare rates from a variety of sources. How about comparing the cost of leasing a car to buying one? Lease Calculator Plus handles these and other loan-related calculations.

Pine Grove Software also offers the Loan Calculator Plus program, but we opted for Lease Calculator Plus because it has all of the functions of Loan Calculator Plus, in addition to a special Lease vs. Buy advisor. This advisory function contains all of the lease jargon, such as discount rate, cost of capital, and marginal tax rates. There's even a provision for designating how much you'll use your purchase (or lease) for business purposes.

As you enter the data into Lease Calculator Plus, a wizard takes you from one section to the next. In the end, the application gives you a lease scenario and a buy scenario, providing a far superior way to make your final decision than banking on the advice of your friendly car salesman.

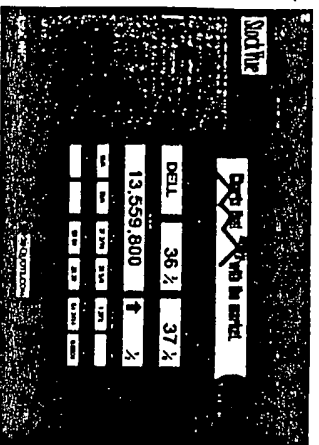
The Lease Calculator Plus application contains a couple of other useful advisors. There is a Loan Points Comparison Advisor, which can tell you if a mortgage loan with more points and a lower interest rate is going to cost you more than a loan with a higher rate and fewer points. The other useful tool is the Reliance Advisor: it tells you whether it would be a good idea to refinance or stick with the loan you have.

In addition to the advisory functions, Lease Calculator Plus also offers six separate calculators, each available by clicking the appropriate icon in the control bar. Included are Loan Calculator, Compound And Simple Interest Calculator, Remaining Balance Calculator, Accelerated Payment Calculator, Balloon Payment Calculator, Affordable House Calculator, and Amortization Schedule Calculator.

Lease Calculator Plus
free evaluation, \$24.95 registration
(800) 243-9192
(609) 730-1400
<http://www.pine-grove.com>
sales@pine-grove.com

thor Gold. If from WorldStart helps alleviate these problems by organizing your rebates into a database, using fields for rebate items, company information you contact information, and the amount of the rebate. There's even a point utility for printing an envelope to send in a rebate based upon the data you've entered.

Tracking rebates is even easier. There are two tabs, one for Outstanding rebates and one for Paid rebates. Once you've received your



StockVue 99 from AlphaCONNECT uses intelligent agents to gather information about your stocks.

can also use it to create intraday portfolio's running while on the Internet. Personal financial updates is at prede-5 minutes. You can use you prefer. If you can't moving, sell-s at the top of

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each stock in your portfolio, and links to more information about the stock. You'll find other valuable information about your stocks from the Research tab, such as buy/sell recommendations from Wall Street analysts, courtesy of Zacks Investment Research.

Investors who like to keep their portfolios close at hand will like the Palm Pilot linking feature. And if you just have to have access to changing market conditions no matter where you are, you can have StockVue 99 send the information you specify to your pager.

Another one of StockVue's very slick features is the ability to send stock data to a Microsoft Word document, Excel spreadsheet, or Quicken; just click the embedded Word, Excel, or Quicken application icon on StockVue's button bar. StockVue 99 links up with the designated application, and the transfer occurs quickly and automatically.

At this point, StockVue 99 is free, so the ad banners you will see appearing at the top of the page as you use it are to be expected. But this software is so smart, we can't imagine that it will stay free for long.

StockVue 99
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Stop wandering aimlessly through your finances each month, always asking questions but never finding the answers. Use one of these applications and start digitizing your financial data into dollar signs. [E]

by Jim Coppe

Plan Your Retirement Online

Use The Web To Get Ready For Your Golden Years

IRA
401(k)
Other Savings
Fixed Income
Basic Investing
Discretionary
Expenses
Company Pension
Employer-Sponsored
Social Security
Source: The Financial Research Institute

With nearly all things in the business world today, financial planning proliferates on the Web. Retirement planning is a fundamental part of such efforts because just about everyone needs a method for identifying how much money it takes to live comfortably after retirement, as well as a means of determining how to save for that inevitable.

Most people, parents and grandparents faced these questions with a certain amount of fear. However, you live in a different time, when almost everything you want to know is a mouse-click away. With all that knowledge comes a certain amount of security, which is just what you are looking for in your golden years.

Your Financial Tour Guide. For all around information, look no further than InvestorGuide at <http://www.investorguide.com/Retirement.htm>. By far the most comprehensive source of investing information, this site makes sense out of all the nonsense involved in financial planning.

This clearinghouse provides links to all types of sites to help you understand the basics about planning for your future. Whether you want the best explanation and information regarding individual retirement accounts (IRAs) or 401(k) plans, you can find detailed explanations and hints here. Links to many different calculators are also included, so you can try a few on for size and see which one works best for your needs and abilities.

New users must complete a simple registration form that's free. It essentially operates as a disclaimer for the company, reminding visitors that the board is not monitored and investors take the advice at their own risk. All the sites we visited had similar disclaimers, so this isn't anything out of the ordinary. The registration form asks you to create a user name and password, and a profile if you want one. The profile is available to all InvestorGuide users who inquire, so keep that in mind when you're deciding what to include.

Software Specialists. Once you've given yourself a crash course in retirement planning, you can put it in to practice at Quicken.com. Quicken's retirement site at <http://www.quicken.com> /retirement is an excellent online resource for the new planner. The right side of the screen features updated content, which resembles a retirement-planning newsletter. The articles, question-and-answer columns, and other features are great to read through if you have some free time.

The departments on the left side of the screen under the Arava banner are where you should head when you're ready to sit down for some serious discussion about planning for your retirement. The first link to click is the one at the top, which is aptly named Get Started.

The Get Started page opens with links that help you answer some of the basic questions retirement planning depends upon. How much money will you need? How much, if at all, will Social Security help out? Articles here point you in the right direction on each of these topics. If you want another opinion, scroll down to the folder icons under the main articles. Clicking one of these links jumps you into a financial forum where planners trade tips and musings about the topics listed.

You can read messages right away, but to post a message yourself you will have to register with the Web site and log into Quicken.com.

Next, go back to the left column and choose the next topic, Build Your Plan. This link leads to the Retirement Planner, which is the heart of

The next page: Economic assumptions can have a big effect on your future retirement needs, and there's no easy way to know exactly what the right answers should be. The first question is about taxes: What percentage of your retirement income will end up going to state and federal governments? Assuming tax rates remain about what they are today, you can choose your state and click the Estimate Tax Rate button to have Quicken.com plug in some numbers. Whether those numbers will really

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128-bit encryption—When data is encrypted, mathematical formulae are used so that there is only one possible solution to decrypt the data. The solution, called a key, protects the data from unauthorized users. Keys vary in length, such as 40 bits, 56 bits, and even 128 bits, and the longer the key, the more difficult the code is to break. A 56-bit encryption key has 72 quadrillion possible combinations, which is considered breakable; a 128-bit encryption key is 4.7 sextillion times harder to break than a 56-bit key, which makes it virtually unbreakable.

applet—A small niche application or utility, such as a mortgage calculator program, that performs just one useful task and is designed for use within larger programs. Many applets are available as free software online.

automated teller machine (ATM)—A machine owned by a bank that lets users perform transactions, such as deposits and withdrawals, without the presence of an actual teller.

bill presentment—The act of sending a bill. Online banking is helping to spur the move toward eliminating paper bills by using electronic billing, or e-billing. E-mail notices are sent to the recipient's e-mail account as opposed to paper invoices sent through the mail.

cookie—Information from a Web site sent to a browser and stored on the user's hard drive so the Web site can retrieve it later. A Web server using the technology looks for a cookie to identify visitors. Cookies may contain information about the user's login name, password, and preferences. For subscription sites, cookies make it unnecessary to log in each time. Users can configure their browsers to accept or reject cookies.

cryptology—The discipline of encoding and decoding information. Information on computers is often encoded for security reasons.

Data Encryption Standard (DES)—The approved method for encrypting data in the United States. Developed by the U.S. National Bureau of Standards, it is used

by the government and many financial institutions.

encrypt—Scrambling or encoding a file to prevent unauthorized access. Encrypted files look like strings of gibberish. To read or use the file, it must be decrypted. Only users with the correct password or key can access and read the file. Files are encrypted using encryption programs.

firewall—Software or hardware that limits computer access from a network or other outside source. Firewalls are used to thwart would-be hackers from infiltrating computer systems.

hyperlink—An icon, graphic, or word in a file that, when clicked, automatically opens another file. World Wide Web pages often include hyperlinks that display other Web pages when selected. Hyperlinks include the address or file names of the files to which they point, but typically this code is hidden from the user.

Java—A programming language designed to write programs that users can safely download from the Internet to their computers and immediately run without fear of viruses. Using small Java programs (called applets), World Wide Web pages can include animation, calculators, and other small applications.

online banking—A full-service bank that exists online and that customers access through their computers. Customers can write checks, pay bills, and transfer funds via a secure Internet connection. Many traditional banks now offer limited services online in addition to the tellers, drive-up lanes, and ATMs of their physical bank buildings.

online trading—Buying and selling stocks, mutual funds, and other investments through an online brokerage service.

password—A set of secret characters or words needed to gain access to a computer or to files and programs within the system. Passwords ensure that only authorized users can read certain information.

payee—A person or company you intend to pay, generally because you owe them money.

portal—A Web site that serves as a window to the rest of the World Wide Web. Its purpose is to guide surfers to just about anything they want to find online and provide as many services as possible in one place, such as e-mail accounts, stock listings, and personalized news. Yahoo! and Excite are good examples of portals.

portfolio—All of your investments. Some portfolios also include complete records of your transactions.

secure sockets layer (SSL)—The most popular security protocol for the Internet, provided by Netscape Communications Corp. SSL encrypts data that passes over the Internet. Netscape Navigator and Microsoft Internet Explorer support SSL.

security—Measures for keeping information on a system safe from corruption or prying eyes. Security can mean anything from a screen saver with a password to encrypted data.

server—The control computer on a local area network (LAN). The server controls software, access to printers, and other parts of the network. A network may have more than one server. The server is usually accompanied by workstations that share the main system's resources.

user profile—A set of personalized parameters that contain information about a person's electronic mailbox, location and access rights. Normally used for security purposes, each authorized user on a network or multi-user PC must have one of these, often used in conjunction with a username and password.

Web browser—Software that gives access to and navigation of the World Wide Web. Using a graphical interface, users click buttons, icons, and menu options to access commands. Browsers show Web pages as graphical or text-based documents and let users download pages from different sites either by clicking hyperlinks or by entering a Web page's address called a universal resource locator (URL). Netscape Communicator and Microsoft Explorer are both popular browsers.

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Securities

SHOP FOR HARDWARE

AND SOFTWARE IN YOUR UNDERWEAR

You're ready to shop for a new computer? But you're too busy to leave your computer?
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